

Florida Office of Financial Regulation Performance Measures

Florida Financial Services Commission Meeting

May 5, 2015

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Governor Scott's OFR Performance Measures

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
1	EOG/ Existing	Annual	GOAL #1: EXCELLENCE IN ALL OFR DOES	Improve metrics to measure agency results.	Review all existing performance measures annually to ensure they are meaningful and "results" oriented rather than process driven.	100%	100%	100%		This measure is appropriate annually, but is not recommended as a quarterly measurement.
2	EOG/ Existing	Annual	GOAL #1: EXCELLENCE IN ALL OFR DOES	Develop an atmosphere of continuous improvement.	Review all existing performance measures annually to ensure they are meaningful and "results" oriented rather than process driven.	100%	100%	100%		This measure is appropriate annually, but is not recommended as a quarterly measurement.
3	EOG/ Existing	Annual	GOAL #1: EXCELLENCE IN ALL OFR DOES	Ensure customer satisfaction in the Division of Financial Institutions by surveying financial institutions.	Percentage of financial institutions surveys completed that rate the professionalism and responsiveness to management's request and concerns of the Division of Financial Institution's examiners as excellent.	97%	90%	100%	90%	This survey is only completed annually. This is not a meaningful quarterly measurement. The three measures reflect survey data and the recommended baseline of 100% is not realistic. The projection of 90% is reasonable.
4	EOG/ Existing				Percentage of financial institutions surveys implemented that rate the professionalism, responsiveness, staffing level and training of the Division of Financial Institution's examiners as compared to federal examiners, as excellent.	93%	90%	100%	90%	This survey is only completed annually. This is not a meaningful quarterly measurement. The three measures reflect survey data and the recommended baseline of 100% is not realistic. The projection of 90% is reasonable.
5	EOG/ Existing				Percentage of financial institutions surveys completed that rate the ability of the Division of Financial Institution's examiners to logically and clearly discuss all material supervisory concerns, findings and recommendations with management prior to conclusion of the on-site examination as excellent.	95%	90%	100%	90%	This survey is only completed annually. This is not a meaningful quarterly measurement. The three measures reflect survey data and the recommended baseline of 100% is not realistic. The projection of 90% is reasonable.
6	EOG/ Existing	Quarterly	GOAL #1: EXCELLENCE IN ALL OFR DOES	Provide quick, responsive service to applicants.	Decrease the average number of days to review a Finance License application, as required in section 120.60, Florida Statutes.	5	18	3	5	This is a current measure for the Division of Consumer Finance. The measure would be more meaningful if "review" was clarified to state "date of receipt to issuance of deficiency letter." The recommended baseline of 3 days to review an application presents an issue for our agency. We strive to maintain a high level of quality when reviewing applicants to prevent licensure of unqualified companies and individuals. The varying complexity of applications could make this baseline unattainable. For example, money services businesses, mortgage companies, securities and consumer collection agencies all require review of criminal background checks. These background checks can be lengthy and require careful review. Additionally, mortgage companies and individual license applicants require review of credit reports. We want to make certain that quality assurance is not compromised by this measure. The fluctuating volume of these types of applications is impacted by industry trends so the number of applications coming into the agency can shift unexpectedly. In the same vein, OFR staffing levels and employee training are factors to consider.
7	EOG/ Existing	Quarterly	GOAL #1: EXCELLENCE IN ALL OFR DOES		Provide prompt resolution of registration matters by decreasing the number of broker dealer agent applications that are pending. OFR Recommended Language: Provide prompt resolution of registration matters by decreasing the average number of broker dealer applications that are pending.	186	233	180	200	This is a current measure for the Division of Securities. The measure would be more meaningful if it was modified to measure the average number of broker dealer applications that are pending rather than the number pending as a point-in-time snapshot. The fluctuating volume of these types of applications is impacted by industry trends so the number of applications coming into the agency can shift unexpectedly. In the same vein, OFR staffing levels and employee training are factors to consider. The agency recommends a baseline of 200 applications.

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
8	EOG/ Existing	Quarterly	GOAL #1: EXCELLENCE IN ALL OFR DOES		Provide prompt resolution of registration matters by decreasing the number of days to process broker dealer agent applications. OFR Recommended Language: Provide prompt resolution of registration matters by decreasing the number of days from receipt of a broker dealer agent application to approval.	12.5	41	12	12	This is a current measure for the Division of Securities. The measure would be more meaningful if it was modified to clarify that the measure tracks "receipt of broker dealer agent applications to approval." The fluctuating volume of these types of applications is impacted by industry trends. The number of applications coming into the agency can shift unexpectedly. In the same vein, OFR staffing levels and employee training are factors to consider. The OFR accepts the recommended baseline.
9	EOG/ New	Quarterly	GOAL #1: EXCELLENCE IN ALL OFR DOES		Decrease the average number of days from the receipt of a deficient application to completion of the application.			20		This specific time period in this measure relates to the time the applicant has to respond to the OFR's deficiency letter (i.e., asking the applicant to correct and/or provide more information to complete their application). The OFR cannot control how quickly an applicant responds to the agency's deficiency letter. In order to accomplish this measure, the OFR would need to promulgate rules to reduce the allowable time to respond to an application deficiency, but that could result in more application denials, which could make the licensing process less business-friendly and more difficult for companies and individuals. For example, once a license is denied, the applicant must apply again and restart the process. The OFR recommends deletion of the proposed measure.
10	EOG/ Existing		GOAL #1: EXCELLENCE IN ALL OFR DOES	Provide excellent regulatory service to the stakeholders of the Division of Securities by ensuring prompt regulatory action.	Take prompt action against those who violate the Securities law and undermine the public trust by increasing the number of enforcement actions.	401	59			The Executive Office of the Governor has stricken the measures regarding the Division of Securities Examination Program. However, the agency is statutorily required (517.121, F.S.) to examine the books and records of our registrants. The agency believes that enforcement is part of its core mission.
11	EOG/ Existing			Provide excellent regulatory service to the stakeholders of the Division of Securities by ensuring prompt regulatory action.	Take prompt action against those who violate the Securities law and undermine the public trust by increasing the amount of fines received.	\$1,107,814	\$826,875			
12	EOG/ Existing			Provide excellent regulatory service to the stakeholders of the Division of Securities by ensuring prompt regulatory action.	Take prompt action against those who violate the law and undermine the public trust by increasing the number of meaningful sanctions imposed.	58	26			
13	EOG/ Existing		GOAL #2: ENFORCE COMPLIANCE WITH STATE LAWS RELATED TO THE FINANCIAL INDUSTRY	Help Florida investors protect themselves by conducting examinations, investigations and enforcement cases pursuant to the Florida Securities and Investor Protection Act	Number of Securities examinations, investigations, and enforcement cases resulting in meaningful sanctions.	58	26			Additionally, the Executive Office of the Governor has stricken the measures regarding the OFR's Bureau of Financial Investigations. However, the agency is statutorily required to conduct investigations (20.121, F.S.). And, if during an investigation, the OFR has reason to believe that any criminal law of the state has been violated, the office refers records showing such violation to state or federal law enforcement or prosecutorial agencies and the OFR shall provide investigative assistance to those agencies as required. The agency believes that conducting investigations into financial crimes is part of its core mission.
14	EOG/ Existing			Help Florida investors protect themselves by conducting examinations, investigations and enforcement cases pursuant to the Florida Securities and Investor Protection Act	Number of active, major Securities enforcement cases.	15	30			
15	EOG/ Existing			Increase the percentage of financial investigations completed that result in civil, and or criminal action against individuals or entities that conduct fraudulent or illegal financial service activities.	Percentage of investigations accepted by prosecutors or OFR legal counsel for enforcement actions that result in action being taken.	91%	84%			
16	EOG/ Existing			Improve efficiency of Finance examination program by decreasing the time to refer a priority examination to legal services.	Average number of days to refer a Finance priority examination to legal services.	186	38			
17	EOG/ Existing			Improve investigative efficiency by reducing the time required to prepare a legally sufficient case for potential enforcement action.	Percentage of priority investigations accepted by prosecutors or OFR legal counsel for enforcement action within 12 months.	85%	64%			

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
18	EOG/ Existing	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Examine all state financial institutions within statutory timeframes.	Percentage of state financial institutions examined within the last 18 and 36 months, as required by section 655.045, Florida Statutes.	100% / 100%	100% / 100%	100% / 100%		
19	EOG/ Existing	Annual	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Provide fair, balanced and responsive service to Division of Financial Institutions' customers, the state-chartered or licensed financial institutions.	Percentage of financial institutions surveys giving the Office of Financial Regulation's financial institution examination program a rating of 2 or better (1 highest, 5 lowest).	95%	75% (Error: this should be 90% based on the OFR LRPP)	100%	90%	This measure reflects survey data collected annually. It is not recommended as a quarterly measure. The recommended baseline of 100% is not realistic due to the fact that OFR examinations find shortcomings in financial institution operations resulting in actions, which could lead to dissatisfaction at the institution. The agency recommends a baseline of 90%.
20	EOG/ Existing	Annual	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Promote the Dual Banking System in Florida.	Percentage of financial institutions completing surveys that rate the contribution of the state examination process to promoting safe and sound institutions as 2 or better (1 highest, 5 lowest).	94%	85%	100%	90%	The OFR believes this measure is redundant and is recommended for deletion. (See #19)
21	EOG/ New	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Improve service to Division of Finance consumers by providing an easy-to-use method of filing information with the agency.	Number of consumer complaints resolved by Finance staff. OFR Recommended Language: Improve service to Floridians by providing timely resolution to complaints. The OFR will measure this agencywide and track the average days to process complaints and the number of complaints received.	3694	3600			OFR average days to process complaints (measures receipt to referred or closed): FY 2013-14: Avg 35 days to process (4,973 complaints received) FYTD 2014-15: Avg 39 days to process (2,895 complaints received) This measure would be more meaningful if the OFR tracked this agencywide through measuring the average days to process complaints. Additionally, the OFR will provide the number of complaints.
22	EOG/ Existing	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Examine all money services businesses within statutory timeframes (five years per section 560.109, Florida Statutes).	Percentage of money services businesses examined.	100%	100%	100%		
23	EOG/ Existing	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Improve the efficiency of the Finance examination process by reducing the number of days to complete a priority examination.	Average number of days to complete a Finance priority examination.	186	58	50%		This measure is not representative of the majority of exams that the OFR conducts. These types of examinations have transformed into multi-state examinations with many levels of jurisdiction. The OFR is capturing this with other measures in place related Consumer Finance examinations. The OFR believes this measure is redundant and is recommended for deletion. (See #24 and #25)
24	EOG/ Existing	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS	Improve efficiency of money services businesses examination program by providing examination results to licensed money services businesses in a timely manner.	Percentage of licensed check cashers and foreign currency exchangers receiving an examination report within 60 days of the onsite examination. OFR Recommended Language: The percentage of licensed check cashers and foreign currency exchangers receiving an examination report within 60 days of receipt of all required information and records.	70%	75%	100%	75%	The complexity of examinations can vary widely based on each case. They may involve a series of subpoenas for bank records. Often, our staff does not know the level of exam complexity until the initial evaluation of the information, which could uncover egregious conduct. Multi-state examinations involve coordination between at least 6 states requiring extensive coordination. These types of exams evolve into multi-state settlements involving various state and federal regulators, and attorney generals from across the country. This measure is impacted by the rate of employee turnover and training levels. The OFR recommends a baseline of 75%.

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
25	EOG/ Existing	Quarterly	GOAL #3: EXAMINE REGULATED COMPANIES AND APPLICABLE INDIVIDUALS		Percentage of licensed money transmitters and payment instrument sellers receiving an examination report within 90 days of conclusion of the onsite examination. OFR Recommended Language: The percentage of licensed money transmitters and payment instrument sellers receiving an examination report within 60 days of receipt of all required information and records.	75%	90%	100%	75%	The complexity of examinations can vary widely based on each case. They may involve a series of subpoenas for bank records. Often, our staff does not know the level of exam complexity until the initial evaluation of the information, which could uncover egregious conduct. Multi-state examinations involve coordination between at least 6 states requiring extensive coordination. These types of exams evolve into multi-state settlements involving various state and federal regulators, and attorney generals from across the country. This measure is impacted by the rate of employee turnover and training levels. The OFR recommends a baseline of 75%.
26	EOG/ Existing	Quarterly	GOAL #4: REGISTER OR CHARTER INSTITUTIONS, COMPANIES AND INDIVIDUALS	Improve service to Securities (this should be "Financial Institutions") applicants and registrants by processing submissions in a timely manner.	Percentage of all applications, except applications for new charters, statutorily complete that are processed within 60 days and within 90 days, as required by section 120.60, Florida Statutes.	95% / 100%	67% / 100%	95% / 100%	67% / 100%	We believe this is a Division of Financial Institutions measure, not Securities, and simply a typo in the EOG measures document. The OFR recommends the baseline for this measure be 67% / 100%.
27				Improve service to Securities applicants and registrants by processing submissions in a timely manner.	Percentage of Securities registration application processed within 90 days, as required in Section 120.60, Florida Statutes.	100%	100%	100%		
28				Improve service to Finance applicants and registrants by processing submissions in a timely manner.	Percentage of Finance license applications processed within 90 days, as required in Section 120.60, Florida Statutes.	100%	100%	100%		
29	EOG/ New	Quarterly	GOAL #5: HELP GROW FLORIDA'S ECONOMY	Increase the number of financial institutions in the state of Florida.	Number of new charter applications that were approved or disapproved.	Number of Approved Charter Applications (1)	Number of Disapproved Charter Applications (0)			The OFR believes that increasing the number of financial institutions in the state is outside the control of the agency. However, we can report the number of applications received on a quarterly basis.
30	EOG/ New		GOAL #5: HELP GROW FLORIDA'S ECONOMY	Reduce financial burden of Florida banking and other financial institutions.	Number and total amount of fees collected in previous fiscal year.	Received \$14,600,144 of assessments out of total revenues of \$15,428,971	FYTD Received \$14,437,957 out of total revenues of \$14,730,059			The OFR Division of Financial Institutions has 7 unique fees: 1. Application 2. Semiannual Assessment 3. Examination 4. Late Penalty Fine 5. Director Approval 6. Administrative Fine 7. Certificate of Good Standing

EOG: Additional Questions with OFR Responses	
<p><i>How many banks switched from a federal charter to a state charter in the last quarter?</i></p> <p>There has been one financial institution that converted from a federal to a state charter in the past quarter. Since July 2013, 6 financial institutions have converted from a federal to a state charter, including two credit unions with total assets exceeding \$5 billion.</p>	
<p><i>How many banks switched from a state charter to a federal charter in the last quarter?</i></p> <p>As a result of mergers and acquisitions, one financial institution has converted from a state to a federal charter in the past quarter; and, a total of 10 financial institutions have converted to a federal charter since July 2013.</p>	
<p><i>What has the Office proactively done to attract new banks to the state of Florida?</i></p> <p>The OFR has established a competitive fee structure (assessment schedule) to incentivize financial institutions that become state chartered. Additionally, the OFR has promoted efficient processes to enhance consumer satisfaction throughout the regulatory process, while ensuring Florida's financial markets are operated in a safe and sound manner. A safe and sound financial market encourages competition, promotes an entrepreneurial environment, and protects Floridians. The OFR continues direct outreach to financial institutions to discuss the many advantages and benefits of a state chartering.</p>	
<p><i>What have you done to reduce the number of fees/taxes on the banking industry?</i></p> <p>On July 1, 2014, Florida Statutes, Chapter 663.12 (2) was amended to delete the annual assessment fee of \$2,000 from each international representative office, international administrative office and international trust company.</p>	
<p><i>Do you think that the banking admissions process is hampered by the regulations in place?</i></p> <p>The Dodd Frank Act and the subsequent rules issued by various federal agencies have hampered the growth of the financial industry.</p>	
<p><i>Do you think that you have taken all appropriate actions to streamline or eliminate cumbersome regulations that may negatively impact competition in the banking industry?</i></p> <p>Yes, the OFR continuously looks for ways to streamline and eliminate regulations that negatively impact the banking industry. The OFR has not promulgated any new rules affecting financial institutions since it was required to initiate rule making for Rule 69U-100.964, F.A.C., to implement the requirements of Section 655.968, Florida Statutes, after its passage in 2012. With the amendments made to the Financial Institutions Codes in 2014, the OFR is currently in the process of reviewing all rules applicable to financial institutions to determine which rules can now be repealed or modified to promote more efficient and streamlined regulation. Proposed 2015 legislation (SB 806/ HB 703), if enacted, would further reduce the regulatory burden on financial institutions regulated by the OFR.</p>	

OFR Recommended Measures

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
OFR Recommended Measures and Focus Areas										
31	OFR Measure	Quarterly	Improving Taxpayer Value	Increasing agency efficiency	Number of OFR licensees Number of OFR employees	405,878 licensees 357 employees	FYTD 411,752 licensees 362 employees			
32	OFR Measure	Quarterly	Delivering Value to Businesses	Decrease OFR application approval time	Average number of days from receipt of application to date of approval	4 days	4 days		4 days	
33	OFR Measure	Quarterly	Promoting a Safe and Sound Financial Marketplace	Decrease the percentage of cases closed with formal action in the Division of Securities, Division of Consumer Finance and the Division of Financial Institutions.	Percentage of cases closed with formal action	Division of Securities: 13% Division of Consumer Finance: 55% Division of Financial Institutions: 5%	FYTD Division of Securities: 13% Division of Consumer Finance: 81% Division of Financial Institutions: 3%		Division of Securities: less than 13% Division of Consumer Finance: 75% Division of Financial Institutions: less than 3%	
34	OFR Measure	Quarterly	Improving Customer Service	Reduce the agency's average call-wait time	Call-wait time Call volume	Call-wait time: :40 seconds Call Volume: 42,875	FYTD Call-wait time: :31 seconds Call volume: 31,448		Call-wait time: :30 seconds Call volume: N/A	
35	OFR Division Focus Area	Quarterly	Delivering Value to Businesses	Improving communication with applicants by reducing the days to issue deficiency letters to issuer dealer and investment adviser applicants in the Division of Securities	Number of deficiency letters Issuer dealer licenses: Average days to issue deficiency letter Investment adviser licenses: Average days to issue deficiency letter	Number of deficiency letters: 4,029 Issuer dealer: 9 days Investment adviser: 11 days	FYTD Number of deficiency letters: 1,857 Issuer dealer: 14 days Investment adviser: 11 days		Issuer dealer: 12 days Investment adviser: 10 days	
36	OFR Division Focus Area	Quarterly	Delivering Value to Businesses	Improving mortgage lender license process by reducing the days to approve mortgage licenses	Average days to approve mortgage lender licenses	35 days	FYTD 38 days		35 days	
37	OFR Division Focus Area	Quarterly	Promoting a Safe and Sound Financial Marketplace	Improving check casher compliance by increasing the percent of check cashers demonstrating record-keeping compliance	Percent of check casher demonstrating compliance	73%	FYTD 57%		57%	
38	OFR Division Focus Area	Quarterly	Improving Taxpayer Value/ Promoting a Safe and Sound Financial Marketplace	Increasing the percentage of cases closed with formal action in the Bureau of Financial Investigations	Percent of cases closed with formal action	40%	FYTD 47%		50%	
39	OFR Division Focus Area	Quarterly	Improving Taxpayer Value/ Improving Customer Service	Improve call-wait time in the Division of Securities	Average call-wait time Call volume	Average call-wait time: 2:06 Call volume: 5,443	FYTD Call-wait time: 2:15 Call volume: 3,617		Call-wait time: 1:45 Call volume: N/A	

Number	Source	Reporting Frequency	Goal	Objective/Measure	Outcome	FY 2013-2014 Actual	FY 2014-2015 Projected	Recommended Baseline	OFR Recommended Baseline	OFR Comments
40	OFR Division Focus Area	Quarterly	Improving Customer Service	Improve customer survey responses and rating in the Division of Financial Institutions	Number of financial institutions surveyed Survey responses received Percent responding Number rating OFR high-performing Percent rating OFR high-performing	Number of financial institutions surveyed: 241 Survey responses received: 99 Percent responding: 41% Number rating OFR high-performing: 96 Percent rating OFR high-performing: 97%	Number of financial institutions surveyed: 229 Survey responses received: N/A Percent responding: N/A Number rating OFR high-performing: N/A Percent rating OFR high-performing: N/A		Number of financial institutions surveyed: 229 Survey responses received: N/A Percent responding: 50% Number rating OFR high-performing: N/A Percent rating OFR high-performing: 90%	

Governor Scott's Supplemental Performance Measures

	QUESTIONS	OFR Comments	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	Number of Days traveling Outside of Florida	Total Cost Associated Travel	Reimbursing Entity	Amount Reimbursed in FY 2014-2015	Number of Fees	Fee Cost	Total Impact to Florida Business and Communities	Index/Metric	Ranking
OPERATIONAL EFFICIENCY															
	1 How much has the agency reduced administrative costs?	Administrative costs are defined as Executive Direction.	\$7 million	\$4.6 million	\$3.8 million	\$3.9 million									
	2 How much has the agency reduced FTEs?	In 2011-12, the OFR reduced FTEs by 19%. In 2014-15, the OFR received 5 FTEs to support the statutorily mandated check-cashing database.	438	357	357	362									
	3 How many trips did you, and your staff, take outside of the State of Florida in the last quarter?	OFR examination staff are required to complete examinations of regulated entities, some which are located out of state.					Total: 20 trips/ 173 days (includes staff and commissioner) Securities: 1 trip/ 3 days Consumer Finance: 8 trips/ 93 days Financial Institutions: 8 trips/ 68 days	Total: \$ 40,501.65 (includes staff and commissioner) Securities: \$0 (all costs reimbursed by NASAA) Consumer Finance: \$38,010.53 Financial Institutions: \$7,514.42							
	Where were these trips to and for what purpose?	<p>Commissioner Breakspear: CFPB: Washington, D.C. CSBS: Washington, D.C. BSAAG: Washington, D.C. staff</p> <p>Securities: Chicago, IL: NASAA working group Consumer Finance: Washington, D.C.: CFPB Examiner Training Houston, TX: Statutorily mandated examination Fairfield, NJ: Statutorily mandated examination San Diego, CA: NMLS conference New York, NY: Statutorily mandated examination Bethesda, MA: Statutorily mandated examination Irving, TX: Statutorily mandated examination West Covina, CA (Conference and training)</p>													
	Agency Head						3 trips / 9 total days	\$ 4,976.70							
	Staff						17 trips/ 164 days	\$ 35,524.95							
	4 How much has the agency reduced overall travel costs for all employees?	OFR travel policy deems that travel must be mission critical and out-of-state travel must be approved by the commissioner or deputy commissioner.													
	5 What associations, boards, etc., do you, or your staff, have membership or participate in, on behalf of the agency?	SEE ATTACHMENT: OFR ASSOCIATIONS AND MEMBERSHIPS													
	For Travel-Related to participation in these associations, boards, etc., how are you, and your staff, reimbursed for travel costs?	Employees are reimbursed by the State of Florida with the exception of certain state regulatory association events where OFR staff are expected to participate. In these cases, OFR staff pay for these expenses personally and are reimbursed by the association/ group.							State of Florida	The OFR provided this information for the last quarter, which is \$40,501.65.					
	What is Florida's return on investment by having you, and your staff, participate in these associations, boards, etc.?	SEE ATTACHMENT: OFR ASSOCIATIONS AND MEMBERSHIPS													
	6 How many other programs or initiatives has the agency implemented to improve agency operation and reduce costs?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGE 2)													
	How much has been saved?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGE 2)													
CUSTOMER SERVICE															
	1 How many consumer complaints does the agency receive?				4,973	FYTD 2,895									
	How many programs or initiatives has the agency implemented to reduce consumer complaints?	SEE ATTACHMENT: OFR SUCCESS STORIES													
	2 What outreach efforts has the agency done to seek input from stakeholders?	SEE ATTACHMENT: OFR SUCCESS STORIES Starting in 2013, the OFR has worked aggressively to build strong relationships with state and federal agencies including the Federal Reserve System; Consumer Financial Protection Bureau; Federal Deposit Insurance Corporation; the U.S. Department of the Treasury; and the U.S. Securities and Exchange Commission. These relationships provide the OFR with enhanced influence and access to important agencies that impact the citizens and businesses of Florida. Additionally, OFR's management team continues to build strong relationships with industry groups in the state, such as the Florida Securities Dealers Association, the Florida Bankers Association, and the League of Southeastern Credit Unions among others.													
	3 What is the agency customer satisfaction rating according to consumer surveys administered by the agency?	N/A													
	How many programs or initiatives has the agency implemented to improve this rating?	N/A													
	4 What is the average time it takes a call to the call center to be answered?		1:46	:44	:40	FYTD :31									
	How many programs or initiatives has the agency implemented to improve this time?	SEE DIVISION OF SECURITIES FOCUS AREA MEASURE (#39)													

	QUESTIONS	OFR Comments	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	Number of Days traveling Outside of Florida	Total Cost Associated Travel	Reimbursing Entity	Amount Reimbursed in FY 2014-2015	Number of Fees	Fee Cost	Total Impact to Florida Business and Communities	Index/Metric	Ranking
	How many technological advancements were implemented to improve customer service performance?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGES 6-7)													
	How much did it reduce costs?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGES 6-7)													
	How much did it increase the speed of processing/providing customer service?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGES 6-7)													
	How many fees has the agency reduced, eliminated, increased or newly proposed?														
	Fee Reduction										0	0	0		
	Fee Elimination	The Division of Financial Institutions eliminated one fee, which impacted nine financial institutions with a reduction of \$2,000 each, totaling \$18,000. This was International Administrative Office Annual Fee F.S. 633.12[2]									1	\$ 2,000	\$ 18,000		
	Fee Increase										0	0	0		
	New Fee	The Division of Consumer Finance has five new fees statutorily mandated by industry-driven legislation . There were 522 unique fees assessed for licensees in 2014-15 YTD. 1. Loan Originator Reactivation Fee 2. Mortgage Broker Reactivation Fee 3. Mortgage Broker Branch Reactivation Fee 4. Mortgage Lender Reactivation Fee 5. Mortgage Lender Branch Reactivation Fee									5		\$86,725		
	How many communications methods are utilized to increase transparency and inform customers and citizens?	SEE ATTACHMENT: OFR SUCCESS STORIES													
	How frequently are each of these methods utilized?	SEE ATTACHMENT: OFR SUCCESS STORIES													
CONSUMER PROTECTION															
	1 How much has voluntary compliance increased?	SEE OFR MEASURE FOCUSED ON PROMOTING A SAFE AND SOUND FINANCIAL MARKETPLACE (#33)													
	How many programs or initiatives has the agency implemented to increase voluntary compliance?	SEE ATTACHMENT: OFR SUCCESS STORIES (PAGES 3-5)													
	2 In how many legal cases is the agency currently a defendant?	SEE ATTACHMENT: OFR LEGAL CASES													
	How much did the agency spend in outside legal expenses?	SEE ATTACHMENT: OFR LEGAL CASES													
	How many releases to the public of exempt information or personal data have occurred at the agency?				0	1									
	How many programs or initiatives has the agency implemented to address prior releases or prevent future releases?	On February 26, 2015, the OFR was alerted by the North American Securities Administrators Association of an issue with the Central Registration Depository (CRD), which is a database maintained by the Financial Industry Regulatory Authority (FINRA). This issue prevented the masking of some personally identifiable information when certain composite reports are run in response to public records or Freedom of Information Act requests. As a result, some reports have inadvertently included visible "case/docket" numbers. In some instances, the information provided by certain broker dealer and investment adviser representatives in the "case/docket" field may contain personally identifiable information. This inadvertent release impacted 1,623 broker dealer and investment adviser representatives active in Florida; of the 1,623 individuals affected, 258 are Florida residents. Presently, this would represent less than one half of one percent of all active representatives in Florida. The OFR has notified these individuals of the inadvertent release, and we continue to work with the Florida Attorney General's Office regarding the issue. Efforts are underway by FINRA to explore ways to limit the future input of personal information by individuals completing the forms used to populate the CRD database. Until the issue can be remediated, the OFR has discontinued release of this data. The OFR Division of Securities has re-trained its staff regarding heightened awareness of personally identifiable information in responding to public records requests. The OFR Communications Office provided communications materials and briefed the offices of the Governor and Cabinet regarding this issue on March 23, 2015.													
MANAGEMENT AND OVERSIGHT															
	How many ways does the agency measure employee satisfaction?	N/A													
	How much has the employee satisfaction rating improved?	N/A													
	How many new initiatives have been implemented by agency leadership?	SEE ATTACHMENT: OFR SUCCESS STORIES													
	How many resources has the agency dedicated to improving metrics?	The OFR respectfully requests more clarification to define "resources."													
	4 How many contracts does the agency manage?				21	35									
	How many contracts are behind schedule, have not met contract requirements, or have other deficiencies?				0	0									
	How many actions has the agency taken to bring these contracts into compliance?				N/A	N/A									

	QUESTIONS	OFR Comments	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	Number of Days traveling Outside of Florida	Total Cost Associated Travel	Reimbursing Entity	Amount Reimbursed in FY 2014-2015	Number of Fees	Fee Cost	Total Impact to Florida Business and Communities	Index/Metric	Ranking
	5 How many rules or regulations has the agency reduced?				0	The Division of Securities is in the process of repealing 4 rules: 69W-700.028 on 9/22/14; 69W-300.002, 69W-600.015 and .016.									
	How many agency rules have taken over 180 days from the effective date of the legislation to be formally proposed, as required in s. 120.54, F.S.				Chapter 2013-139, L.O.F., was effective 7/1/13; Chapter 2013-139 requires OFR to procure for a statewide real-time check cashing database. The Office issued an ITN and contracted with Veritec Solutions to build the database. The database is projected to go live September 2015. The Office is finalizing draft rules to present to the Financial Services Commission at the June 2015 Cabinet meeting to request approval to publish a Notice of Proposed Rulemaking implementing the check cashing database.	0									
	How many rules have been subject of pending rulemaking activity that has been ongoing for more than six months?				0	0									
	How many new or amended rules required to implement legislation have yet to be adopted?				0	0									
	How many programs or initiatives has the agency implemented to improve its rulemaking process?				N/A	N/A									
HELPING FLORIDIANS AND GROWING FLORIDA'S ECONOMY	How many different outreach efforts has the agency done to bring new business to Florida or assist businesses starting in Florida?	SEE ATTACHMENT: OFR SUCCESS STORIES The OFR has developed compliance guides and provide walkthroughs via phone for various new licensees.													
	How many businesses have relocated to Florida?	N/A													
	How many new businesses have started in Florida?				New business OFR licensees domiciled in Florida: 5,476 New business OFR licensees granted in Florida: 6,938	FYTD New business OFR licensees domiciled in Florida: 4,067 New business OFR licensees granted in Florida: 5,106									
	How many programs or initiatives has the agency implemented to reduce costs, regulations or burdensome processes for businesses operating in the state?	SEE ATTACHMENT: OFR SUCCESS STORIES													
	How many programs or initiatives has the agency implemented to increase competition and improve the marketplace in Florida?	N/A													
	How many programs or initiatives has the agency implemented to lower the cost of living for Floridians?	N/A													
	How does the performance of the agency rank compared to other states in comparable metrics or unbiased national rankings?	N/A													

The seal of the Office of Financial Regulation, Florida, is centered in the background. It features a circular emblem with a blue border containing the text "OFFICE OF" at the top and "FLORIDA" at the bottom. Inside the circle, the words "OFFICE OF THE STATE" are at the top, "FINANCIAL REGULATION" is at the bottom, and "GOD WE TRUST" is at the very bottom. The central part of the seal depicts a landscape with a palm tree, a ship, and a building. Overlaid on this seal is the text "ATTACHMENT:" and "OFR SUCCESS STORIES" in a large, bold, black font.

**ATTACHMENT:
OFR SUCCESS STORIES**



Florida Office of Financial Regulation

SUCCESS STORIES

Florida Office of Financial Regulation (OFR) Agencywide Success Stories

- **Agency Rebranding:** In 2013, the OFR Communications Office spearheaded a rebranding campaign, which included development of a new agency mission statement, logo and website. The rebranding was completed in-house without incurring additional cost to taxpayers. Revitalizing the OFR's presence online has facilitated marketing to consumers and increased the efficiency of communication and customer service.
- **Revitalizing Communications:** Since February 2014, the OFR Communications Office has placed a renewed focus on earned media efforts, reaching more than 10 million people in the first six months. Earned media includes print and online opinion editorials, regular columns, letters to the editor, news articles, as well as radio and TV interviews for Commissioner Breakspear and OFR staff. The communications team has worked diligently to improve messaging on consumer protection issues through timely, relevant news releases, consumer and industry alerts. When the agency receives complaints about financial fraud and trends impacting Floridians, the OFR Communications Office responds quickly by releasing information and alerts to the affected area or region (and statewide depending on the topic). Media exposure and coverage has increased exponentially for the Office of Financial Regulation, helping inform and educate more Floridians about consumer protections available to them, risks of financial fraud and scams. Producing timely news provides better information for consumers as they navigate Florida's financial services industry and encounter potential risks to their financial security.
- **Launching Social Media:** In March 2014, the OFR Communications Office launched the agency's official Twitter account, highlighting state and national news about the financial services industry. Since its launch, the OFR Twitter account has experienced a steady increase in followers, surpassing 500 followers in February 2015.
- **Connecting with Floridians:** In summer 2014, the OFR Communications Office invited consumers to provide their email address on the agency's website and receive Commissioner Breakspear's Newsletter to Floridians, which highlights timely financial news and information to keep consumers informed about issues impacting their financial security.
- **Increasing Community Involvement:** Beginning in 2014, select OFR staff members have participated in Junior Achievement of the Big Bend, a financial literacy and life skills program available to elementary, middle and high school students. By providing in-class lessons, staff connect with students and learners of all ages, passing on financial literacy skills that will prove valuable as they grow, save money, plan to buy a car and make important financial investments, such as purchasing a home.

- **Streamlining the Agency’s Budget:** Beginning in 2012, the OFR has continuously reevaluated and restructured the agency budget, leading to the following accomplishments by fiscal year:
 - **Fiscal Year 2012:** The agency reduced appropriations by \$5.6 million or 13% (\$42.7 million to \$37.1 million). This resulted in a reduction of 81 FTEs or 18.5% (438 to 357 positions). These reductions were accomplished through process improvements, economies of scale and eliminating redundancies.
 - **Fiscal Year 2013:** The OFR renegotiated its Accenture contract in midterm for a total four-year contractual savings of \$3,934,182. The OFR contract negotiation team was awarded a Prudential Productivity “Award of Distinction” and the March 2013 Governor’s Savings Award for their efforts to save taxpayer money and make government processes more efficient. The savings were recognized in a General Appropriations Act annual reduction.
 - **Fiscal Year 2014:** The OFR renegotiated its Deferred Presentment Provider Database vendor contract for three years with an annual savings of \$589,778 and total contract savings of \$1,769,333. The OFR contract negotiation team was awarded a Prudential Productivity Award “Certificate of Commendation” and the January 2014 Governor’s Savings Award for their efforts. The savings were recognized in a General Appropriations Act annual reduction.
- **Expanding Agency Outreach:** Starting in 2013, the OFR has worked aggressively to build strong relationships with federal agencies including the Federal Reserve System; Consumer Financial Protection Bureau; Federal Deposit Insurance Corporation; the U.S. Department of the Treasury; and the U.S. Securities and Exchange Commission. These relationships provide the OFR with enhanced influence and access to important federal agencies that impact the citizens and businesses of Florida.
- **Charting a Course for the Future:** At this time, the agency is in the process of reevaluating the current Long Range Program Plan. The creation and collection of consistent, reliable data for the past three years will allow the agency and each division to examine current measures, revise them, and propose new objectives and measures based on the availability of new data and information. In addition to reassessing the Long Range Program Plan, the agency is exploring development of an OFR Strategic Plan, which would outline short-term goals and objectives for the year.

Florida Office of Financial Regulation Success Stories by Division

The Division of Securities

- **Increasing Investment Adviser Oversight:** The OFR Division of Securities is the sole regulator of approximately 1,600 investment adviser firms, each with assets under management of up to \$100 million, conducting business in, to or from Florida. In 2013, the division began holding a pre-registration conference with investment adviser applicants to discuss registration maintenance, record keeping and compliance requirements after registration. The division also sends a user-friendly guide to newly registered investment advisers to assist them in understanding their compliance obligations. The division's Bureau of Enforcement continues to bolster its examination program of state registered advisers and has undertaken an initiative to examine all registered investment advisory firms on a five-year cycle, which was previously a risk-based approach. The increased frequency of examinations was accomplished without additional FTEs by making processes more efficient and effective.
- **Improving Communication with State and Federal Partners:** The division's two bureaus (Registration and Enforcement) continue to improve close relationships with other states and Canadian securities regulators through the North American Securities Administrators Association (NASAA), the organization of U.S. state and Canadian provincial and territorial securities regulators, the U.S. Securities and Exchange Commission (SEC), and self-regulatory organizations (SROs), e.g., the Financial Industry Regulatory Authority (FINRA), which regulates its securities dealer industry members. These partnerships allow for information sharing, exchange of ideas regarding securities industry regulation and result in case referrals, joint investigations and enforcement cases, thereby leveraging resources of each entity. Through staff's participation in NASAA, the division has the opportunity to comment and provide data regarding proposed federal rules, increasing the OFR's influence on a national scale.
- **Streamlining Review of Small Business Offerings:** The division recently revised its rules regarding small business securities offerings, allowing it to participate with other states in a new streamlined review program established through the efforts of NASAA. Recently, NASAA submitted a comment letter to the SEC, which is currently finalizing its rule governing small business securities offerings, highlighting the effectiveness of NASAA's coordinated review program.
- **Cutting Red Tape:** In the past year, the division has reviewed, updated and reorganized rules found in Chapter 69W, Florida Administrative Code. The first rules to be amended were related to Small Business Capital Formation Offerings. The changes simplified the requirements for registration, making it easier for companies to qualify for registration, while increasing consumer protections. The division is in the process of proposing rules that clarify safeguards for various forms of custody for investment advisers; increase

accountability and protection of client funds and securities that are inadvertently held or obtained by the investment adviser; and implement clearer requirements for financial reporting and calculation of net capital for dealers and investment advisers. The next phase of anticipated rule amendments will organize requirements for applying, maintaining and terminating registration by registration type, e.g., dealer, investment adviser, associated person.

- **Increasing Outreach:** The division continues to participate in industry and consumer outreach programs to educate stakeholders about the role of the OFR, promoting financial literacy. Division staff partners with industry groups and lawmakers to provide presentations to targeted audiences, such as the elderly. These events focus on fraud and identity theft. Meetings are held quarterly with other regulatory and law enforcement agencies such as FINRA, the SEC, the United States Attorney's Office and the Federal Bureau of Investigation to discuss new or significant trends regarding securities and investment fraud matters. The division is active with various legal and industry groups regarding elder and diminished capacity issues for investors with respect to their financial holdings.
- **Protecting Consumers:** During the last year, the division issued a total of 105 final orders against bad actors in Florida's securities industry. The division's enforcement efforts led to fines totaling \$7.8 million assessed against companies and individuals; 21 individuals were barred from registering with the agency; and four registrations were revoked. Eighteen perpetrators were convicted and sentenced to 105 years in prison, 76 years of probation and ordered to pay more than \$51 million in court-ordered restitution. As of January 31, 2015, Florida had 2,741 dealers, 5,327 investment adviser firms, 10,352 branches and 299,115 associated persons registered with the division. *Note: Florida ranks third in the nation in the number of registered firms and associated persons, and fourth in the nation in the number of registered branch offices.*

The Division of Consumer Finance

- **Improving Licensing Process for Applicants:** The division's Bureau of Registration was awarded Prudential Productivity Awards in 2012, 2013 and 2015 for increasing productivity in processing license applications, notifying entities of filing requirements in an electronic format and maintaining fingerprint records. These process improvements resulted in a combined savings of approximately \$979,821 to the financial services industry and the OFR. By implementing faster turnaround times from receipt to approval of license applications, the licensees can begin core business activity more quickly. The retention of fingerprint records by the division allows faster notification by the Florida Department of Law Enforcement to the division if a licensee is arrested, allowing the division to take swift action. In addition, ongoing improvements and updates to the agency's online licensing system have made the process smoother for prospective licensees.

- **Raising Industry Standards:** In 2014, the division worked with the Florida Legislature to develop new law supported by the Florida Collectors Association that implemented stronger standards for applicants entering Florida’s consumer debt collection arena. The legislation mandated criminal backgrounds checks for the first time.
- **Removing Bad Actors from the Industry:** In March 2013, the division worked in partnership with Attorney General Pam Bondi’s Office and the Orlando Police Department to shut down Vanderbilt & Associates, LLC, and affiliate Buchanan Capital Management, an abusive debt collection agency located in Orlando. These debt collectors employed scare tactics, claiming to be law enforcement, process servers and attorneys. The scheme resulted in victims paying debts that were already paid, did not exist or were grossly overstated. By working with partners, the division stopped an abusive debt collector and prevented further harm to Florida consumers.
- **Keeping Florida’s Financial Services Industry Safe:** In April 2013, the division participated in “Operation Dirty Money,” a joint operation involving the Department of Financial Services’ Division of Insurance Fraud, Miami-Dade County Police Department, the Broward County Sheriff’s Office and the Palm Beach County Sheriff’s Office. As a result of the coordinated operation, John Diaz is facing first-degree felony charges of money laundering and organized scheme to defraud and second-degree felony charges of multiple money service business violations. Diaz faces third-degree felony charges related to workers’ compensation fraud. Approximately \$640,000 and three vehicles were seized by authorities. Working together with state agencies and local law enforcement, the division halted this illegal business activity, money laundering scheme and worker’s compensation fraud.

The Division of Financial Institutions

- **Targeted Employee Training:** The Division of Financial Institutions has implemented a training program that leverages dedicated training personnel to coordinate the training of financial examiners throughout the state using a risk-based approach. Through this new program, financial institution examination staff can access additional resources and updated industry guidance that enhances their work product. The devoted personnel and resources supplement on-the-job training and classroom certification already available to division staff. The new training will allow examiners to be more knowledgeable and effective in a shorter period of time while reducing travel and training costs.
- **Improving Customer Service:** The division provides alerts to its regulated financial institutions. In the past year, alerts covered topics such as potential cyber security breaches, industry best practices and safety protocols. These communications provide

immediate and timely information to the financial institutions, increasing awareness of pending industry emergencies and potential threats.

- **Developing Best Practices:** The division has implemented an Examination and Regulatory Process Improvement Committee that develops best practices for the examination of financial institutions and created offsite call report monitoring to identify any potential trends and risks that could affect Florida's banking industry. The committee has improved communication and increased awareness while implementing best practices to address and mitigate risks and reduce regulatory burden.
- **Achieving Reaccreditation:** The division was reaccredited by the Conference of State Bank Supervisors and the National Association of State Credit Union Supervisors in 2014. These two reaccreditation exercises are completed every five years. These certifications tell other states and federal agencies, including the Federal Deposit Insurance Corporation and the National Credit Union Administration, that the agency has a high-quality examination program, reinforcing agency credibility and high standards of excellence.

The Bureau of Financial Investigations

- **Leveraging Technology to Improve Investigative Efficiency:** In August 2013, the Bureau of Financial Investigations acquired software that largely automates the process of converting data from paper bank records into an electronic spreadsheet. This automation allows investigators to more efficiently complete time-consuming and labor-intensive tasks associated with manually entering data from bank and brokerage records into an electronic spreadsheet. Since implementing this new technology, the bureau has analyzed more than 406,000 transactions from financial records obtained pursuant to official investigations. The bureau has recognized productivity gains equal to nearly 13.6 hours of investigator time saved for every hour spent using the software. In the time since the new software implementation, the bureau has recaptured 5,080 productive investigative hours, which would have been dedicated to data entry. This translates to an opportunity cost savings of \$152,400.
- **Identifying Risk through Proactive Data Mining:** In January 2014, the bureau adopted a strategy of mining information reported to the Financial Crimes Enforcement Network (FinCEN) in order to identify high risk areas and threats for targeted agency enforcement action. Working with intelligence provided by financial institutions to FinCEN through their Suspicious Activity Reporting architecture, the bureau has been able to open approximately 90 new cases. Approximately 35% of these cases have resulted in formal investigations or examinations with the expectation of administrative, civil or criminal enforcement actions.

- **Protecting Vulnerable Populations:** In November 2013, the bureau obtained an emergency injunction against First Merchant Capital Ltd., halting an ongoing Ponzi scheme that targeted elderly victims. The OFR investigation revealed the defendants defrauded 166 investors out of \$18 million through the sale of purported FDIC insured certificates of deposit. The investigation determined no certificates of deposit were purchased and instead the defendants operated an elaborate Ponzi scheme. Of the \$18 million raised, \$7.8 million was repaid to investors as purported interest. On January 30, 2015, the defendants were sentenced to 121 months in prison and ordered to pay \$9 million in restitution. The actions taken by the bureau stopped an ongoing Ponzi scheme and prevented further harm to Florida consumers. In addition, the court-appointed receiver was able to recover approximately \$1 million that can be used for the benefit of the victims.
- **Fighting Financial Crime:** In May 2014, Karl Oreste, Marie Lucie Tondreau, O.J. Odunna and Kelly Augustin were indicted in connection with a complex mortgage fraud scheme based in Miami. A joint investigation completed by the bureau, in partnership with the Federal Bureau of Investigation, showed that straw borrowers, fictitious documents and false information were used to obtain 54 mortgage loans totaling approximately \$24 million. The scheme generated approximately \$8 million, which was divided among the defendants and others. The scheme caused lenders to foreclose on properties and suffer losses of over \$17 million. On July 16, 2014, Karl Oreste pled guilty and was later sentenced to 100 months in prison. On December 16, 2014, Marie Lucie Tondreau, the suspended mayor of North Miami, was convicted at trial and awaits sentencing. The efforts of the OFR and the FBI brought to justice those responsible for defrauding several financial institutions and will likely deter others from similar conduct in the future. It also resulted in the removal of a criminal from the North Miami Mayor's Office.

Florida Office of Financial Regulation Task Forces, Committees and Affiliations

Commissioner Drew J. Breakspear

- Conference of State Bank Supervisors – Florida Representative
- [Conference of State Bank Supervisors Emerging Payments Task Force](#)
- Financial Crimes Enforcement Network Bank Secrecy Act Advisory Group

The Office of Communications (Jamie Mongiovi, Director)

- Conference of State Bank Supervisors Public Information Officer Working Group

The Division of Securities (Pam Epting, Director)

- North American Securities Administrators Association
- U.S. Securities and Exchange Commission
- Financial Industry Regulatory Authority
- Florida Securities Dealers Association
- Association of Registration Management, Inc.
- Securities and White Collar Crime Roundtable
- Hillsborough County Bar Association
- Financial Planning Association of Florida
- Florida Association of Business Tax Officials
- Securities Industry Financial Markets Association

The Division of Consumer Finance (Greg Oaks, Director)

- Florida Association of Mortgage Professionals
- Florida Collectors Association
- National Association of Credit Consumer Administrators
- Money Transmitters Regulators Association
- North American Collection Agency Regulatory Association
- Conference of State Bank Supervisors
- American Association of Residential Mortgage Regulators
- The Multistate Mortgage Committee
- The Mortgage Testing and Education Board
- Nationwide Mortgage Licensing Policy Committee


The Division of Financial Institutions (Robert Hayes, Director)

- Conference of State Bank Supervisors Risk Advisory Committee
- Florida Bankers Association Regulatory Panels
- League of Credit Unions Regulatory Panels
- Florida International Bankers Association Regulatory Panels

- Conference of State Bank Supervisors Foreign Banking Committee
- Conference of State Bank Supervisors Legislative Committee
- Conference of State Bank Supervisors Large Bank Peer Group Committee
- Conference of State Bank Supervisors Regulatory Committee
- Conference of State Bank Supervisors Regulatory State Supervisory Process Committee

The Bureau of Financial Investigations (Robert Kynoch, Chief)


- Big Bend Task Force, Tallahassee
- U.S. Secret Service Task Force, Jacksonville
- Northwest Florida Financial Crimes Task Force, Pensacola
- U.S. Attorney's Office Suspicious Activity Report Review Team, Pensacola
- Florida Department of Law Enforcement Fusion Center, Tallahassee
- U.S. Attorney's Office Suspicious Activity Report Review Team, Tampa
- Financial Institution Security Officers Association of Tampa Bay
- Tampa Bay Identity Theft Alliance
- Federal Bureau of Investigation Suspicious Activity Report Review Group, West Palm Beach
- Palm Beach County Economic Crimes Working Group, WPB
- U.S. Attorney's Office Securities Fraud Working Group, Miami
- Division of Insurance Fraud Workers' Compensation Task Force, Ft. Lauderdale
- Broward Economic Crime Association, Broward County
- Financial Institution Security Association, Miami
- Central Florida Fraud & Forgery Unit, Orlando

The seal of the Office of Financial Regulation, State of Florida, is centered in the background. It features a circular emblem with a blue border containing the text "OFFICE OF FINANCIAL REGULATION" and "STATE OF FLORIDA". Inside the circle is a smaller emblem with a palm tree, a sun, and a ship, surrounded by the text "GREAT SEAL OF THE STATE OF FLORIDA" and "GOD WE TRUST". The seal is set against a light green shield-shaped background.

**ATTACHMENT:
OFR ASSOCIATIONS &
MEMBERSHIPS**

OFR Associations & Memberships

Association	FY 2013-14	FY 2014-15	Benefit/ROI
Conference of State Bank Supervisors (CSBS) - Supervisory Dues	\$ 71,777.00	\$ 99,039.00	The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands dedicated to advancing the state banking system. CSBS supports the leadership role of state banking supervisors in advancing the state banking system and state financial regulation, benefiting the public by ensuring safety and soundness, promoting economic growth and consumer protection, and fostering innovative state regulation and supervision of the financial services industry.
Conference of State Bank Supervisors (CSBS) - Annual Accreditation Fee	\$ 4,000.00	\$ 4,000.00	
Conference of State Bank Supervisors (CSBS) - 5 Yr Reaccreditation Fee	\$ -	\$ 10,396.57	
National Association of State Credit Union Supervisors (NASCUS) - Supervisory Dues	\$ 9,639.15	\$ 13,785.82	National Association of State Credit Union Supervisors (NASCUS) is a professional regulators association established by state credit union regulators themselves to promote the safety and soundness of state-chartered credit unions. NASCUS is the primary resource and voice of the 47 state governmental agencies that charter, regulate and examine the nation's state-chartered credit unions. (Delaware, South Dakota and Wyoming have no laws permitting state-chartered credit unions.) NASCUS is dedicated to the defense and promotion of the state credit union charter and the autonomy of state credit union regulatory agencies. Both CSBS and NASCUS represent their respective industries legislatively at the national level and ensure state banking and credit union regulatory agencies are able to fulfill their statutory responsibilities to charter, examine, supervise and regulate all state-chartered financial institutions. Both organizations develop and maintain a rigorous regulatory "best practices" regimen that state regulatory agencies must adhere to in order to receive and retain accreditation. This five-year cycle accreditation includes in-depth and on-site reviews of Division of Financial Institutions (OFR-DFI) personnel, offices, processes, procedures, and business process work flows to affirm that state regulated financial institutions are overseen in a safe and sound manner and consistent with other state regulatory agencies as acceptable by federal regulatory counterparts such as the Federal Reserve Bank (FRB), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC).
National Association of State Credit Union Supervisors (NASCUS) - Annual Accreditation Fee	\$ 2,000.00	\$ 2,000.00	
National Association of State Credit Union Supervisors (NASCUS) - 5 Yr Reaccreditation Fee	\$ -	\$ 15,000.00	
American Assn. of Residential Mortgage Regulators (AARMR)	\$ 750.00	\$ 750.00	AARMR monitors the mortgage industry and provides communication and training on the latest trends and topics. Membership enables the OFR to easily communicate with other state regulators and the mortgage industry concerning best practices, industry trends and predictions, proposed rules, regulations and other relevant matters. AARMR provides annual training focused on the latest trends and federal regulations which is not available at any other venue. AARMR also facilitates the coordination of multi-state examinations of mortgage licensees which results in more efficient and effective regulation of the industry in addition to minimizing the impact on a licensee
North American Collection Agency Regulatory Assn. (NACARA)	\$ 200.00	\$ 400.00	NACARA monitors the debt collection industry and provides communication and training on the latest trends and topics. Membership enables the OFR to easily communicate with other state regulators and the debt collection industry concerning best practices, industry trends and predictions, proposed rules, regulations and other relevant matters. NACARA provides annual training focused on the latest trends and regulations which is not available at any other venue. NACARA also facilitates multi-state examinations of licensees which results in more efficient and effective regulation of the debt collection industry in addition to minimizing the impact on the licensee.
National Assn. of Consumer Credit Administrators (NACCA)	\$ 695.00	\$ 695.00	NACCA monitors the small loan, title lending, and payday lending industries and provides communication and training on the latest trends and topics. Membership enables the OFR to easily communicate with other state regulators and the above industries concerning best practices, industry trends and predictions, proposed rules, regulations and other relevant matters. NACCA provides annual training focused on the latest trends and regulations which is not available at any other venue. NACCA also facilitates multi-state examinations of the licensees which results in more efficient and effective regulation of these industries in addition to minimizing the impact on the licensee.
Money Transmitter Regulators Association (MTRA)	\$ 750.00	\$ 750.00	MTRA monitors the funds transmitter industry and provides communication and training on the latest trends and topics. Membership enables the OFR to easily communicate with other state regulators and the funds transmitter industry concerning best practices, industry trends and predictions, proposed rules, regulations and other relevant matters. MTRA provides annual training focused on the latest trends and regulations which is not available at any other venue. MTRA also facilitates multi-state examinations of the funds transmitter industry which results in more efficient and effective regulation in addition to minimizing the impact on the licensee.
North American Securities Administrators Association, Inc. - (NASAA)	\$ 1,800.00	\$ 1,800.00	This membership is essential for the Office to fulfill its statutory responsibilities related to the regulation of securities. This organization is made up of state regulators in the U.S., Canada and Mexico that are responsible for investor protection and the efficient function of capital markets at the grass roots level. The benefits of NASAA membership include, but are not limited to: (1) training – each member receives vouchers annually to fund the attendance of staff at educational events on topics such as broker dealer regulation, corporation finance, attorney/investigator training and investment adviser regulation, (2) legislative and media assistance – publications regarding state and federal legislative initiatives, media and investor education matters are made available to members, and (3) legal assistance – provides outside assistance to its members in the form of expert testimony services and preparation of amicus briefs. Like other service organizations, NASAA has committees and working groups made up of volunteers to support and provide guidance regarding regulatory, legislative and enforcement issues. Not participating in NASAA would hamper Florida's knowledge of current issues and problems facing the securities industry as well as deplete our resources to combat these concerns.
Agency Total:	\$ 91,611.15	\$ 148,616.39	

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**ATTACHMENT:
OFR LEGAL CASES**

OFR Legal Cases

Consumer Protection - 2. In how many legal cases is the agency currently a defendant?

	FY 2013-14					FY 2014-15 YTD				
	Appellate Cases	Informal Hearings	Respondent at DOAH	Risk Management Cases	FY 2013-14 Total	Appellate Cases	Informal Hearings	Respondent at DOAH	Risk Management Cases	FY 2014-15 Total YTD
Financial Institutions	1	0	0	0	1	0	0	0	0	0
Consumer Finance	2	20	3	0	25	2	32	0	0	34
Securities Regulation	5	3	0	0	8	0	2	0	1	3
Totals	8	23	3	0	34	2	34	0	1	37

Commissioner Putnam's Proposed Supplemental Performance Measures

1. How do you define success in your agency?
2. What services does your agency provide that are most undervalued?
3. What outcomes do you plan to accomplish as agency head as it relates to your short term and long term priorities?
 - a. Do your resources align with your priorities in order to achieve these outcomes?
 - b. How do your priorities align with the agency's legislative proposals and legislative budget requests?
 - c. What are the drivers and resistors that will help or hinder you from meeting these priorities?
 - d. How does the agency organizational structure support these priorities?
 - e. How are you measuring your progress toward outcomes?
4. What program areas of your agency face challenges in achieving desired outcomes?
 - a. What major issues are contributing to each area's weaknesses?
 - b. What internal or external threats exist?
 - c. What are the strategies you have planned to address these issues?
 - d. What major changes need to occur to achieve the desired outcomes?
5. What do you view as the greatest risk in the next fiscal year or calendar year?
 - a. How do you plan to mitigate the risk and address the issue?
6. What current agency responsibilities do you consider unnecessary or obsolete, or would be best accomplished by another agency?
7. Stakeholders:
 - a. Identify your stakeholder groups and opportunities for stakeholders to interact/provide input to your agency.
 - b. What are the top issues communicated by stakeholders, and what plans are in place to address these issues?
 - c. How do you assess whether or not your stakeholder needs are met?

CFO Atwater's Proposed Performance Measures

OFR Performance Measures						
Number	Objective	Weight	Range	Result	Score	Weighted Score
1	Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045, F.S.	20%	5 = 100% 4 = 98-99% 3 = 96-97% 2 = 94-95% 1 = 92-93%	100%	5	1.00
2	Percentage of money services businesses examined within statutory timeframes per S. 560.109, F.S.	15%	5 = 100% 4 = 98-99% 3 = 96-97% 2 = 94-95% 1 = 92-93%	100%	5	0.75
3	Percentage of securities registration applications processed within 90 days, as required by S. 120.60, F.S.	10%	5 = 100% 4 = 98-99% 3 = 96-97% 2 = 94-95% 1 = 92-93%	100%	5	0.50
4	Percentage of finance license applications processed within 90 days, as required by S. 120.60, F.S.	10%	5 = 100% 4 = 98-99% 3 = 96-97% 2 = 94-95% 1 = 92-93%	100%	5	0.50
5	Average number of days from receipt of application to date of approval	10%	5 = 5 days or less 4 = 6-9 days 3 = 10-13 days 2 = 14-19 days 1 = 20 days or more	4 days	5	0.50
6	Average days to approve mortgage lender licenses	5%	5 = Less than 30 days 4 = 30-39 days 3 = 40-49 days 2 = 50-59 days 1 = 60 days or more	38 days	4	0.20
7	Percentage of check cashers demonstrating compliance	10%	5 = 90 - 100% 4 = 80 - 89% 3 = 70 - 79% 2 = 60 - 69% 1 = 59% and below	57%	1	0.10
Number	Objective	Weight	Range	Result	Score	Weighted Score
8	Percentage of financial institutions rating OFR high-performing	5%	5 = 95 - 100% 4 = 90 - 94% 3 = 85 - 89% 2 = 80 - 84% 1 = 79% and below	97%	5	0.25
9	Percentage of cases closed with formal action in the Bureau of Financial Investigations	10%	5 = 75% and above 4 = 65 - 74% 3 = 55 - 64% 2 = 45 - 54% 1 = 44% and below	47%	2	0.20
10	Average days to issue deficiency letters to investment adviser applicants in the Division of Securities	5%	5 = 7 days or less 4 = 8-10 days 3 = 11-13 days 2 = 14-16 days 1 = 17 days or more	11 days	3	0.15
Total		100%			40	4.15

Weighted Average Scale	
Significantly Exceeds Expectations	4.6 and above
Exceeds Expectations	3.6 - 4.5
Meets Expectations	2.6 - 3.5
Does Not Meet Expectations	1.6 - 2.5
Fails Expectations	1.5 and below