

Office of Inspector General
City of Jacksonville, Florida



Management Review
Jacksonville Housing Authority Workers Compensation
2025-0133

April 21, 2026

Matthew J. Lascell
Inspector General

Executive Summary

In November 2025, the Office of Inspector General (OIG) received information from JHA that JHA employees received their full salaries and additional employee benefits while simultaneously collecting tax-free workers' compensation indemnity payments.¹ It was alleged that these employees should not have received their full salaries and benefits while also receiving workers' compensation indemnity payments. According to the complaint, these employees received up to 166% of their salary. Based on this information, the OIG initiated a Management Review.

During the Management Review, the OIG discovered that the workers' compensation code utilized within JHA's payroll system had been designated as a "payout code." This misclassification led to the employees receiving their full salary.

Based on JHA records, an overpayment of \$73,204.51 was identified.

Background

The City of Jacksonville (COJ) Risk Management Administration, Finance Department, Workers Comp Claims Section (RMWCCS) oversees the operational components of the claims process. This department administers a self-managed system that addresses claims financed with COJ funds that exceed a predetermined high deductible for excess coverage.

Issue

Did any JHA employees receive salaries and benefits while also receiving tax-free workers' compensation indemnity payments?

Governing Directives

JHA Employment Policy Manual 6.11 Worker's Compensation

- The manual outlines the benefits associated with workers' compensation. It specifies that a third-party administrator determines eligibility for these benefits. There is a waiting period of three days, starting the first workday after the injury occurs, which includes Saturdays. Employees who are unable to work due to an injury can utilize their accrued leave. If the injury extends beyond three days and is confirmed to be work-related, the third-party administrator will issue payments as follows:

¹ Based on the information received by the OIG, indemnity refers to the financial compensation an employee receives when they are unable to work or have a reduced capacity to work due to a work-related injury. The purpose of indemnity payments is to make the claimant "whole" and to prevent "double dipping," which occurs when an individual receives both their full salary and workers' compensation payments simultaneously.

- If the employee does not utilize their accrued leave during the three-day waiting period or afterward while awaiting the third-party administrator's decision, they will receive payment at a rate of 66.6% for all lost time, including the waiting period.
- If the employee chooses to use their accrued leave for the three-day waiting period or beyond while waiting for the third-party administrator's determination, they will receive 100% payment for their lost time.

JHA Human Resources Standard Operating Procedures

While an employee is receiving supplemental pay, workers' compensation checks must be turned in to the JHA Payroll Department.

Findings

Records Reviewed

JHA Workers Compensation Records

According to Fiscal Year 2020 to 2025, JHA workers' compensation records, nine employees received workers' compensation indemnity payments.

JHA Payroll Records

According to JHA payment records from the Automatic Data Processing (ADP) system, these nine employees were paid their full salary while they simultaneously received workers' compensation indemnity payments. A table detailing the number of payments and total gross salary received by the nine employees is displayed below:

Employee	Number of Salary Payments	Total Gross Salary Paid
1	5	\$15,828.67
2	5	\$10,921.02
3	9	\$12,346.02
4	1	\$1,208.58
5	3	\$5,779.92
6	1	\$1,541.51
7	7	\$19,137.11
8	3	\$4,252.58
9	1	\$2,189.10
TOTAL	35	\$73,204.51

The OIG reviewed the timecards for each of the nine employees' payment periods. There was no evidence to suggest that the employees were submitting inaccurate information.

Based on a review of the records JHA provided for the nine employees, an overpayment of \$73,204.51 was identified. It is noteworthy that this overpayment may potentially be greater, contingent upon further findings from JHA.

JHA Accounting Review

At the OIG request JHA conducted a thorough review of its accounting records from 2018 to the present to identify documentation indicating if any of the nine employees had submitted their workers' compensation indemnity checks to the JHA payroll department. JHA was unable to locate any records or proof indicating any of the nine employees had submitted workers' compensation checks in accordance with the SOP.

Overpayments

As noted above, the records show that the nine employees received overpayments in the amount of \$73,204.51.

Interviews

As part of this Management Review the OIG interviewed Michelle Montford, a Claims Systems and Compliance Manager, Robert Quinn, an All Lines Claims Manager, who are both employed by RMWCCS.

In addition, the OIG interviewed one of the JHA employees identified as having received an overpayment as well as SuDelta Henson, Deputy Chief Financial Officer of JHA

RMWCCS advised that they receive reported work injuries through their internal system (Origami) via a link made available to JHA leadership.

Montford and Quinn advised that JHA is to evaluate whether it can provide suitable accommodation for an injured worker based on temporary restrictions set by a doctor, such as light-duty work. If JHA can accommodate these restrictions, the employee will continue to receive their regular pay and will not receive workers' compensation indemnity payments. However, if JHA cannot accommodate the restrictions, the employee will receive workers' compensation indemnity payments. According to Montford and Quinn, the workers' compensation indemnity payments are issued by mailing a check to the employee's personal address.

Montford and Quinn related, they do not have access to JHA's payroll system and rely on JHA to provide the necessary wage statements for calculations.

According to Montford and Quinn, it is JHA's responsibility to effectively monitor employees' pay status, ensuring they do not receive their full salary while also receiving workers' compensation indemnity payments.

The JHA employee identified as receiving an overpayment advised that they were not aware of the JHA Human Resources Standard Operating Procedure (SOP) requiring that all workers' compensation checks be submitted to the JHA payroll department. They related that no one had informed him about the SOP and that he was completely unaware of its requirements.

The OIG interviewed SuDelta Henson, Deputy CFO of JHA. Henson advised that the JHA Accounting Department took over payroll responsibilities following the abrupt departure of the previous payroll staff in August of 2025. As a result of this transition, JHA began using a service provided by ADP, which conducted a "full-service review" to guide the team on the backend and assist with payroll processing.

During the meetings with ADP, the Accounting Department analyzed the payroll system and discovered that the code for "workers comp" was a "payout code." This meant that when "workers comp" was entered on an employee's timecard, it triggered the ADP system to pay the employee their full salary.

Henson stated that the previous process allowed the use of a "workers comp" code. She could not explain why the previous employees handled it that way, but confirmed that, based on the findings, her current team knows not to use that code because it causes double payments.

Additional Information

The OIG extends its commendations and gratitude to JHA for promptly notifying our office of this matter. Furthermore, we recognize JHA's adherence to the reporting requirements as stipulated in Section 602.303(k) of the COJ Ordinance Code. JHA's diligence and commitment to transparency are noted and appreciated.

Recommended Corrective Actions

It is recommended that JHA:

1. Report injuries to RMWCCS promptly to prevent delays that may complicate the claims process and potentially result in overpayments.
 2. Coordinate salary payments made by JHA with the RMWCCS to prevent overpayment.
 3. Maintain active communication with RMWCCS to ensure they are informed when an employee is taking paid leave (such as sick time or PTO) or receiving wages or light-duty pay.
 4. Regularly review open workers' compensation cases with RMWCCS to identify individuals who may have returned to work but are still receiving indemnity checks.
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5. Maintain a comprehensive, up-to-date list of all employees currently receiving workers' compensation. This should include establishing and maintaining individual files for each employee that contain all pertinent information related to their workers' compensation claims.
6. Review all policies, SOPs, and processes pertaining to workers' compensation to ensure they are updated in the event of any changes. Ensure all relevant employees and the JHA Board of Commissioners are informed of these policies and any modifications made to them.
7. Inform and collaborate with the Office of General Counsel to assess the procedures by which JHA may recover the associated overpayment of funds.

Management's Response

April 15, 2026

Office of the Inspector General
City of Jacksonville
231 East Forsyth Street, Suite 470
Jacksonville, FL 32202

Subject: Response to Report of Investigation (draft), 2025-0133.

The Jacksonville Housing Authority ("JHA") acknowledges receipt of the Office of Inspector General's Report of Investigation (draft), 2025-0133. JHA's new administration truly appreciate the support and recommendations provided by the Office of the Inspector General ("OIG") and have taken the following steps to implement the recommended corrective action plan:

1. Report injuries to RMWCCS promptly to prevent delays that may complicate the claims process and potentially result in overpayments.

JHA currently reports all employee injuries to RMWCCS via Origami as soon as the information is received by HR. JHA will reinforce existing requirements for the timely reporting of injuries to RMWCCS. Specifically, management will:

- Reiterate reporting timelines and procedures to all supervisors and employees through updated guidance and targeted communications.
 - Provide refresher training to supervisors and administrative staff on injury reporting responsibilities and the importance of timely submission to avoid claims processing delays and potential overpayments.
 - JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to
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prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.

2. Coordinate salary payments made by JHA with the RMWCCS to prevent overpayment.

- JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.
- JHA and RMWCCS are actively working together to monitor and coordinate the scheduling of payments when an employee must be out on workers' comp leave. To strengthen coordination and prevent any potential salary overpayments, JHA has established a standing weekly meeting with RMWCCS. These meetings will be used to review claims, payment dates by both organizations, status changes, and any other issues that may affect terms of employment.
- JHA will continue to monitor the effectiveness of this process and make adjustments as needed to maintain proper internal controls.

3. Maintain active communication with RMWCCS to ensure they are informed when an employee is taking paid leave (such as sick time or PTO) or receiving wages or light duty pay.

- Management concurs with this recommendation. JHA has established a standing weekly meeting with RMWCCS to facilitate regular information sharing and timely updates regarding employee leave status, wage payments, and assignment changes. JHA will continue to use this forum to ensure it and RMWCCS are promptly informed of any relevant changes that may affect terms of employment.
- JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.

4. Regularly review open workers' compensation cases with RMWCCS to identify individuals who may have returned to work but are still receiving indemnity checks.

- Management concurs with the recommendation. The weekly meetings with RMWCCS will allow both agencies to regularly review all open workers' compensation cases. These meetings will be used to identify employees who may
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have returned to work, experienced a change in duty status, or otherwise no longer qualify for indemnity benefits. Any discrepancies identified during these reviews will be promptly addressed with RMWCCS to ensure claimants are not receiving double/unauthorized pay. JHA will continue this practice to strengthen oversight and minimize the risk of improper payments.

- JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.

5. Maintain a comprehensive, up-to-date list of all employees currently receiving workers' compensation. This should include establishing and maintaining individual files for each employee that contain all pertinent information related to their workers' compensation claims.

- A comprehensive and up-to-date master list of all employees currently receiving workers' compensation benefits will be established and maintained. This list will be reviewed regularly and updated as claim statuses change.

- JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.

- Following the recent termination of JHA's entire HR team, JHA began to maintain individual workers' compensation files for each employee with an active claim. These files include all pertinent documentation, such as injury reports, claim documents (to the extent they are provided by RMWCCS), benefits status, return-to-work information, and applicable approvals or determinations. Files will be maintained in a secure manner to support effective monitoring, reporting, and compliance with applicable laws and organizational requirements.

6. Review all policies, SOPs, and processes pertaining to workers' compensation to ensure they are updated in the event of any changes. Ensure all relevant employees and the JHA Board of Commissioners are informed of these policies and any modifications made to them.

- JHA is in the process of establishing written procedures for processing and keeping track of employees who are on workers' comp leave. The procedures will be provided to the JHA employees who manage any aspect of time approval and payroll, to ensure that timecards are completed correctly and employees on workers' comp leave are not paid by JHA and do not accrue benefits. All employees will receive training on the

relevant procedures. Any changes to the workers' compensation policy will be promptly reported to the Board of Commissioners and to all employees.

7. Inform and collaborate with the Office of General Counsel to assess the procedures by which JHA may recover the associated overpayment of funds.

- As recommended, JHA and OGC are working on determining the best approach for recovering the identified overpayments of funds. In addition, RMWCCS has already assisted JHA in recovering over \$10,000 in overpayment from employee(s). This process of payment recoupment will continue until all funds are returned back to JHA and/or prison time will be sought.
- JHA terminated its entire HR team and will hire professional and highly skilled HR employees to ensure future adherence to employment and labor laws including but not limited to: (1) monitoring salary payments made by JHA with the RMWCCS to prevent overpayments, (2) monitoring of employee paid leave and workers' compensation cases, wages, and light duty pay, and (3) compliance with state and federal standards.

In conclusion, JHA thanks OIG for its investigation of this matter and the recommendations and guidance provided. JHA fully agrees with all recommendations provided by OIG and will work diligently to implement, maintain, and adjust the measures detailed above to ensure that workers' compensation matters are processed according to applicable laws and employees do not receive compensation and benefits from JHA when RMWCCS issues indemnity payments.

Sincerely,
Cheron Corbett
President & CEO
Jacksonville Housing Authority

Inspector General Standards

This report/review has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles and Quality Standards for Investigations.

"Enhancing Public Trust in Government Through Independent and Responsible Oversight"