



An Audit of Offboarding Processes at the Alcoholic Beverage Commission

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The Alcoholic Beverage Commission (Commission) had processes in place for offboarding personnel and removing access to internal and external systems for separated personnel. The Commission appropriately reassigned or disposed of most assets during the offboarding process, including weapons and vehicles. However, it could not demonstrate that it recovered badges from all offboarded law enforcement agents.

The Commission did not consistently review investigations in its tracking systems upon the separation of assigned investigators, and it should formally incorporate assessment of open investigations into its offboarding processes.

The Commission fully implemented prior SAO recommendations related to its software implementation policy and user access reviews.

- [Audit Objectives](#) | p. 12

This audit was conducted in accordance with Texas Government Code, Sections 321.013 and 321.0132.

HIGH

OFFBOARDING PROCESSES

The Commission had processes for offboarding personnel, but it did not consistently follow its processes. While it recovered most high-risk assets, it did not recover all law enforcement badges from offboarded personnel.

[Chapter 1 | p. 3](#)

MEDIUM

INVESTIGATION REASSIGNMENTS

The Commission had investigations assigned in its systems to former employees who had separated from 3 to 21 months earlier, in part because investigation reassignment was not formally incorporated into the Commission's offboarding process.

[Chapter 2 | p. 8](#)

LOW

SYSTEM ACCESS

The Commission ensured that it revoked internal and external system access for all offboarded personnel.

[Chapter 3 | p. 10](#)

NOT RATED

PRIOR RECOMMENDATIONS

The Commission fully implemented two high-rated recommendations from a prior State Auditor's Office audit.

[Chapter 4 | p. 11](#)

Summary of Management's Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of Chapter 1 and Chapter 2 in this report. The Commission agreed with the recommendations.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective.

PRIORITY: Issues identified present risks or effects that if not addressed could ***critically affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could ***substantially affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could ***moderately affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks ***or*** effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.



HIGH

Chapter 1 Offboarding Processes

The Alcoholic Beverage Commission (Commission) had established processes for offboarding personnel, but it did not consistently follow them. As a result, while it recovered most state property assigned to separating personnel, it did not document the return of all law enforcement badges.

The Commission could not demonstrate that it recovered all law enforcement badges.

The Commission could not prove that it recovered law enforcement badges assigned to 2 (6 percent) of the 36 agents who separated from September 2024 through March 2026. The Commission requires supervisors to document the return of law enforcement badges on its Enforcement Equipment Return Form upon an agent's separation. However, it did not consistently complete that form for all separated agents. Specifically, the Commission provided an equipment return form for 19 (53 percent) of the 36 offboarded enforcement agents and provided alternate documentation, such as emails and receipts, showing it recovered the badges for all but two of the other agents without a form.

Not consistently documenting the recovery of law enforcement badges from separating agents increases the risk that the badges could be used for unauthorized purposes.

The Commission obtained all other high-risk property from separating personnel.

Except for law enforcement badges, the Commission ensured that it recovered all other items that posed a significant risk to its operations and public safety from personnel who separated from September 2024 through March 2026.

Specifically:

- **Weapons and vehicles.** The Commission accounted for all weapons and vehicles assigned to the 36 separated law enforcement agents.
- **Access cards and keys.** Commission documentation showed that it received all access cards that allowed external entry into a Commission building and all physical keys (to buildings, offices, and cabinets) from separating personnel. In addition, all access cards permitting entry to interior offices assigned to the separated employees were either in the Commission's possession or deactivated.
- **Credit cards.** The Commission did not have any active credit cards assigned to separated personnel. These included procurement cards, fuel cards, and "purchase of evidence" cards¹.

The Commission recovered most of the other state assets assigned to separated personnel.

The Commission recovered and reassigned most of the other state assets issued to 147 offboarded personnel, such as laptop computers, cameras, bulletproof vests, and other items. However, it could not account for 10 assets issued to 2 former employees and 2 former contractors. Those missing assets included surveillance equipment, projectors, a smartphone, and monitors, totaling approximately \$20,000.

The Commission has documented processes to help ensure that separated employees return state assets; however, it did not always follow those processes, as discussed below.

The Commission did not consistently complete all required offboarding documentation.

The Commission established processes for offboarding personnel that included the completion of certain forms to document the return of state assets and

¹ These are assigned to high-ranking Commission employees for the purpose of purchasing evidence in criminal investigations.

disabling of access to Commission property and data. However, Commission supervisors did not consistently complete those forms as required. The Commission acknowledged that a lack of training contributed to the supervisors' inconsistent documentation.

The Commission used three primary offboarding forms (see Figure 1).

Figure 1

Offboarding Forms and Applicable Personnel Groups



Source: The Commission.

Helpdesk tickets. This documents the disabling of network access and recovery of information technology assets. The Commission had a helpdesk ticket for all 35 offboarded personnel tested that required one.

Employee separation checklists. This documents the type of separation (voluntary or involuntary) and the return of certain Commission property, such as access cards, keys, and credit cards. The Commission could not provide a checklist for 3 (10 percent) of 30 offboarded employees tested. Additionally, for 15 (56 percent) of the 27 checklists provided, Commission supervisors did not always document whether an asset was returned.

Equipment return forms. This documents the return of certain equipment issued to law enforcement agents, including vehicles, cameras, weapons, and badges. As discussed earlier in this chapter, the Commission did not complete this form for all separated agents.

The Commission should ensure that it maintains up-to-date records on state assets issued to personnel.

Tracking logs. The Commission maintains logs to track building access cards and physical keys issued to employees. However, those logs were not always

updated to include dates of issuance or return, and sometimes the logs had conflicting information about who was currently assigned specific building access cards or keys.

System records. The Commission did not update information in a timely manner in the two systems it uses to manage its state assets. This increases the risk of the Commission not identifying missing or misappropriated state property. Specifically, in May 2026, 84 assets were still assigned in one or both systems to 22 offboarded personnel who had separated from the Commission from 86 to 448 days earlier; this included the 10 missing assets identified earlier in this chapter.

Completing all offboarding forms as required and maintaining accurate, up-to-date asset records will help the Commission identify the state assets assigned to employees or contractors and verify the return of those assets upon an employee's or contractor's separation and help prevent inappropriate access to Commission buildings and information.

Recommendations

The Commission should:

- Consistently follow its processes for recovering all high-risk property from separating personnel, including law enforcement badges.
- Improve its process for tracking physical access, including identifying the access cards and keys issued to and retrieved from personnel, the dates they are assigned or recovered, and what those keys grant access to.
- Develop and implement training for supervisors so they understand the offboarding process and know how to complete the forms with the details needed.
- Implement a process to ensure that it updates all asset records upon employee separation.

Management's Response

The Commission agrees with the recommendations and will revise its offboarding forms, improve its offboarding processes, and train supervisors and others on the offboarding process.

- Through internal newsletters, desk aids, supervisory meetings, and in-service training, the Commission will convey the importance of completing offboarding forms thoroughly and in a timely manner while providing guidance on filling out the forms in detail.
- The Human Resources Division (HR) notifies the supervisor of a separating employee of their responsibilities related to offboarding. HR has established a process to check the receipt of offboarding forms and verify the forms were completed properly.
- The Commission will make significant changes to the offboarding forms to make them more user-friendly and easier to complete. One of the details to be clarified is the return or purchase of law enforcement badges.
- When new forms are in place, the Commission will conduct training sessions for supervisors on how to complete the new forms. A desk aid for completing the forms will be published on the Commission's intranet for supervisors to access at any time.
- The Commission will designate assets to be included in various systems managed for state assets and define the roles, responsibilities, timelines, and documentation requirements for adding and removing said assets.
- Regarding improving processes for tracking physical access, the Commission recognizes the issuance and return of building access cards and physical access keys varies between TABC headquarters and regional offices. The Commission will evaluate current processes to determine the most reasonable solution for recording assignments, returns, and reassignments.

IMPLEMENTATION DATE: October 1, 2027

RESPONSIBLE PARTY: Director of Human Resources

MEDIUM

Chapter 2

Investigation Reassignments

The Commission reassigned most active investigations when an investigator separated from employment.

Nearly all of the Commission's active investigation records were assigned to current Commission investigators. Of the 2,303 investigation records that were active as of June 2026, 2,207 (96 percent) were assigned to current employees; the remaining 96 (4 percent) records were still assigned to former employees.

After auditors brought this to the Commission's attention, it determined that 87 of those records were created by a known system malfunction that resulted in duplicate investigation records being created or information in some fields to not be retained and did not represent actual investigations. However, nine of the records were actual investigations and were subsequently reassigned or closed. Those reassignments occurred between 3 and 21 months after the prior investigators had left the Commission.

Investigation reassignment was not a documented part of the Commission's offboarding process.

The Commission did not have a policy or form that specifically mentioned reviewing and reassigning investigations upon an investigator's separation. Instead, it relied on supervisors to identify and reassign ongoing investigations when an investigator separated from the Commission.

This absence of policy or form for investigation reassignment, combined with technical issues in the Commission's primary investigation tracking system², resulted in investigation records that still reflected a former employee as the assigned investigator and some investigations not being reassigned timely.

² Some of the investigations included in the audit scope were documented in its legacy tracking system; the legacy system will be decommissioned once the final open investigation is closed.

Requiring a documented and timely review of investigator assignments in its system during the offboarding process would help the Commission mitigate the technical problems in its tracking system and ensure that investigations are reassigned as needed to address public safety-related complaints.

Recommendation

The Commission should include in its offboarding processes a documented review of all records in its tracking systems to identify and reassign all active investigations that require additional work upon an investigator's separation.

Management's Response

The Commission agrees with the recommendation and will update the offboarding form to include the reassignment of pending investigations as a step in the offboarding process. Until the form is updated, the Chief of Enforcement has directed field supervisors responsible for offboarding agents to reassign investigations in AIMS within a week of separation. As a secondary line of defense, regional supervisors (majors) review active cases on a monthly basis and ensure no active investigations or cases are assigned to a separated employee.

IMPLEMENTATION DATE: October 1, 2027

RESPONSIBLE PARTY: Chief of Enforcement

LOW

Chapter 3 System Access

The Commission ensured that it revoked internal and external system access for all offboarded personnel.

The Commission disabled system access for offboarded personnel.

The Commission disabled network access for all 147³ personnel offboarded between September 2024 and March 2026, including 125 employees and 22 contractors. It also disabled the accounts of all offboarded personnel who had access to the Centralized Accounting and Personnel/Payroll System (CAPPS).

Certain Commission employees also have access to external systems administered by other entities for law enforcement purposes, including the Criminal Justice Information System (CJIS), the Texas Gang Intelligence Database (TxGANG), and the Financial Crimes Enforcement Network (FinCEN). The Commission ensured that external system access was disabled for all of the offboarded employees who had been granted access.

³ A total of 150 personnel were offboarded between September 2024 and March 2026. However, 3 individuals were subsequently rehired and had appropriate access to the network at the time access was tested.

NOT RATED

Chapter 4

Prior Recommendations

Auditors followed up on 2 of 13 recommendations in *An Audit Report on Complaints Processes at the Alcoholic Beverage Commission* (SAO Report No. 23-004). The two recommendations chosen were rated High, and the Commission reported that both recommendations had been fully implemented.

The Commission fully implemented the recommendation related to its software implementation policy.

The Commission fully implemented the recommendation to develop a software implementation policy that includes a requirement to monitor the compliance of contractors who have access to the Commission's data. The Commission's policy requires vendors to comply with the Texas Risk and Authorization Management Program for State Agencies (TX-RAMP). Among the options for TX-RAMP certification is to provide a third-party assessment or an independent audit report, such as a Service Organization Control 2 report. Auditors confirmed that applicable Commission contracts included a requirement that vendors must comply with TX-RAMP requirements.

The Commission fully implemented the recommendation related to its user access management policy.

The Commission fully implemented the recommendation to develop, document, and disseminate IT policies and procedures as required by the Department of Information Resources' *Security Controls Standards Catalog*. Specifically, the Commission updated its user access management policy to include requirements related to documenting the addition of new users and the removal of users no longer needing access and performing periodic user access reviews. The Commission also performed periodic access user reviews and documented the removal of user accounts that no longer needed access.



Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

- Determine whether the Alcoholic Beverage Commission (Commission) had processes and related controls for offboarding personnel in accordance with applicable requirements.
- As applicable, determine the status of selected prior audit recommendations issued by the State Auditor's Office.

Scope

The scope of this audit included the Commission's offboarding processes that were in place from September 2024 through March 2026 related to (1) collecting state-owned property from separated personnel, (2) reassigning investigations from offboarded personnel to current staff, and (3) terminating access to information technology resources and physical locations.

The scope also included a review of significant internal controls related to the offboarding processes at the Commission.

The following members of the State Auditor's staff performed the audit:



- Krista L. Steele, MBA, CPA, CFE, CIA, CGAP (Project Manager)

- Allison Fries, CFE (Assistant Project Manager)
- Brady Bennett, MBA, CFE, CGAP
- Brandy Corbin, CFE
- Olivia K. Delgado
- Benjamin Hikida, CFE
- Louis Holley, CFE, CICA
- Mikayla Polio, CFE
- Aigerim Tursynbekova, MS
- Becki Franklin, CISA, CFE, CGAP, CICA (Data Analyst)
- Daniel Spencer, MSA, CIA, CFE (Quality Control Reviewer)
- Valerie Bogan, CIA, CFE (Audit Manager)

Methodology

We conducted this performance audit from February 2026 through September 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Commission's management for consideration.

Addressing the Audit Objectives

During the audit, we performed the following:

- Interviewed Commission staff and toured a warehouse to gain an understanding of the offboarding processes.
- Identified the relevant criteria:
 - Texas Government Code, Chapter 614.
 - Commission offboarding policies and procedures effective from September 2024 through March 2026.
 - Texas Administrative Code, Title 1, Chapter 477.
 - Department of Information Resources' *Security Control Standards Catalog*, versions 2.1 and 2.2.
- Performed data analysis to determine whether network access termination processes, termination of physical access to buildings, investigative case reassignments, recovery and reassignment of Commission assets, and deactivation of credit/debit cards were completed.
- Tested a nonstatistical, targeted sample of 36 of 150 personnel that offboarded from September 2024 to March 2026 to determine whether the Commission complied with the applicable requirements. The 36 offboarded personnel tested included:
 - 16 of 92 non-agent employees.

- 15 of 36 enforcement agents.
- 5 of 22 contractors.

The method of sampling for offboarded personnel was chosen to ensure that the sample included personnel with specific characteristics, such as type of personnel (employees and contractors), type of separation (voluntary, involuntary, retirement, death), Commission divisions, and high-priority asset assignments. The sampled personnel were not representative of the population; therefore, it would not be appropriate to project the test results to the population.

Data Reliability and Completeness

To determine data reliability and completeness, auditors:

- Interviewed Commission personnel knowledgeable about the data.
- Observed Commission personnel extract data from its systems and reviewed data queries and report parameters.
- Analyzed data for reasonableness and completeness.
- Traced key data elements to source documentation.

Based on that work, auditors determined that the following data sets were sufficiently reliable for the purposes of the audit:

- From CAPPS, the populations of:
 - Separated employees.
 - Commission assets.
 - High-level/administrative users.
- Population of offboarded contractors from Zendesk (helpdesk ticketing system).
- Active accounts in Microsoft Active Directory.
- Population of active physical access card accounts in LenelS2 (Access badges management system).
- Population of Commission assets from Asset Panda (Asset management system).

- Population of active investigations in the Alcohol Industry Management System.
- Population of active investigations in the Agency Reporting and Tracking System.
- From US Bank, the populations of:
 - Procurement cards.
 - Purchase of Evidence cards.
 - Voyager cards.
 - Active authorized drivers.

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.



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The Honorable Morgan Meyer, House Ways and Means Committee

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The Honorable Greg Abbott, Governor

Alcoholic Beverage Commission

Members of the Alcoholic Beverage Commission

Mr. James Person, Interim Executive Director

Ms. Yolanda Hall, Deputy Executive Director



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