

Attorney General Office

Interview of Jacqueline Hatfield, former WCCVA bookkeeper (December 2014 to April 2015/ January 2016 to June 2016)

Date: December 3, 2018

Time: 9:00am -10:00 am

Interviewers: Sarah Walker, Fraud Manager and Stephanie Sullivan, Assistant Fraud Manager

Place: via phone

Introductory information and questions:

- Thank you for meeting with us today. My name is Sarah Walker and this is Stephanie Sullivan. We will both be asking some questions and taking notes.
- The State Auditor's Office is a reporting agency, not an enforcement agency. We perform several different types of audits at a variety of government agencies across the State of Washington. The State Auditor's Office is reviewing a state grant that provided funding to the WCCVA and we have a few questions about the process and specific transactions.
- I want to make sure you are aware of the following:
 - You are not required to discuss any information related to the audit with us; however, we consider your input valuable and it will assist us in making recommendations.
 - If you would like to end the meeting at any time, you may do so. Also, if you want to take a short break from the interview, just let us know.
- Do you understand what we have explained to you? Yes I do know what the State Audit is about.
- Are you willing to proceed? Yes. It has been awhile since I've been involved.

General Questions:

1. Are you currently employed or involved with the WCCVA? No, I haven't been involved since July 2016.
2. How long did you work for the WCCVA? I worked there less than a year. In 2016, I was working on the side for them because they had someone else doing the books and then that person was gone and Cody asked me to come in and get the grant vouchering up to date. So that's all I did for her right before I moved to Texas about the middle of July 2016. Before that, I think 2014, I worked there for awhile but then left for another position.
3. What was your position title? Have you held any other positions?

Administrative Assistant or Finance Manager, not sure. Basically I did grant vouchering. This was my only role. I did go on a training, a 3-day training, with Rose Torgenson who did that.
4. Please briefly explain what your primary responsibilities were.

All of the expenses were incurred with Rose and Cody. Most charges were on credit cards or automatic payments. Receipted things through paypal or donor associate checks that would come in the mail, but most would come through paypal.

Expenses incurred showed up on the bank statements or I would get receipts from Cody or Rose to back up bank expenses. I would enter the bills into quickbooks and reconcile any expenses that hit the bank account at the end of the month. I would get a system report and give to Cody.

Then I would take all of this information and put it into the grant vouchering form with all the backup and compile into a packet. I made sure the expenses were supported. I would then email them to Cody and she would review and approve. Once approved by Cody she would send them onto Rebecca at AGO. If Rebecca had questions, she would tell me or ask for clarification and I would send those directly to her and Cody.

5. **How you were compensated?** They would write me a check. When I was a regular employee, it went through a payroll company who handled processing deductions. Employee checks went directly to our bank.
When I stopped working as an employee, Cody would have included an invoice in the A19. Cody would cut a check for me. This was like any other expense check she would write. This was done at the end of the month when we would do a check run. The checks would be printed out and Cody signed the checks.
Follow-up question: When you included your invoices in the A19, had you already been compensated for? All of the expenses incurred when the check was cut would be included in the month that it was cut.
6. **What accounting system was used by the WCCVA? Quickbooks**
 - a. **Who was responsible for recording revenues and expenditures in the system?** Me, when I was there.
 - b. **Who were invoices turned into for processing payment to?** Approved by Cody and given to me for processing. Cody would sign the checks.
 - c. **Did you ever process system adjustments? Such as voids?**
Yes if it was brought to my attention then I would. If a check was voided through the bank then Cody would be contacting the bank, but I would record what ever happened in the system after Cody let me know.
Follow up question: Can you give us an example:
Can't really think of any off the top of my head. I don't recall any adjustments. I can't remember voiding a check, but the process would have been to follow-up with Cody. If there was a check that wasn't sent after it was cut or it wasn't an expense to be included in the grant form then I would have voided it in the system. But again I can't think of an example of this.
7. **Were you involved with reconciling the WCCVA bank account?** Yes, this was what I did. At the end of the month, I would have all the expenses. Cody would do all the payments at the end of the month and at the same time I would go online and print the bank statement. I would let Cody or Rose know if there were any expenses on the bank statement or any charges that went through that I would need backup documentation. With the bank

statement and all the receipts, I would enter that into quickbooks and cut the checks kind of at the same time.

- a. Which bank did they use? Bank of America
- b. Other accounts? Not that I was aware or had access to.
- c. Paypal? Used for donors and members to make most of their payments through. Cody was the only one who managed paypal, not me. If there were funds in paypal, Cody would have to transfer them into Bank of America account. When this would happen, I would have to get a listing of who made those donations from Cody to make a revenue entry into Quickbooks.
- d. How frequent was that? I only remember making those entries a couple of times. I think around the end or beginning of the year like an annual thing. But I'm not really sure when they were doing that.

8. Who was involved with preparing the A19 expense forms submitted to the Attorney General's Office? Please describe how this worked. Me.

- a. What was the time frame when you prepared these?
That was part of the whole reconciliation process. So at the end of the month, this could be the last day of the month or first week of the next month I'd reconcile anything from the Bank to the Quickbooks. Any checks that need to be cut would be in there.
- b. How did you identify which expenses to include?
During the bank reconciliation and print from Quickbooks a summary expense report that would then breakout by category the expenses that needed to be included in the A19. Pretty much all of their expenses were grant expenses, so all of their overhead or payroll, supplies, payments to consultants that they use for speakers at conferences. So pretty much everything was included. Every expense had to have a receipt.
- c. Who reviewed and approved these? Cody and she also reviewed a monthly expense report that showed all the expenses for the month.
- d. Who submitted them to the AGO? That would be Cody.
- e. Did you ever reconcile what you submitted for approval agreed to what was disbursed to the bank from the AGO? Yes, so if there were discrepancies about something being eligible then Rebecca would email Cody and me about it. I would match the AGO reimbursement to the amount in quickbooks.
- f. Did you ever include invoices for reimbursement when the expense had not actually been incurred yet by the WCCVA? No, it had to be something that was already incurred. It had to be something that cleared the bank. I would never put something on the A19 that had not an expense I couldn't reconcile.

9. Tell us about your involvement with membership fees. When I first started with them, Cody had given me a membership dues letter and a list of who to send them to. These were for people that were already members. They would pay through paypal and then she would give me a printout of the funds and then go into paypal and transfer the funds into the bank.
- a. Were these annual fees or one time? Annual
 - b. Who tracked these and handled depositing these funds in the bank? If payment came in the mail, then I would record them in quickbooks and give to Cody or Rose to deposit. Very few checks, most went through paypal. I believe Cody is the only one who had access to paypal. Possibly a board president had access, but that is speculation. I don't remember them being big dues.
10. Tell us about your involvement with: None what so ever. I didn't know they had merchandise sales.
- a. Merchandise sales on wccva website/ ebay
 - b. Donations- treated just like an annual fee
 - c. Pledges- treated the same as donations. Never really saw this.
 - d. Googlesearch revenue- I think this was an expense not a revenue.
11. Please describe what financial information was provided to the WCCVA Board.
- All of the backup documentation for the monthly expenses, payroll detail of expenses, I believe the bank statement is apart of the A19 packet. Expense and revenue summary report.
- Follow-up: What we are seeing in the A19's getting submitted to the AGO's office is not monthly, for example, November-December 2015, not processed until February 2016. So when you say monthly these are being prepared, how can this be?
- So I wasn't working there at that time and there was stuff that wasn't getting billed at that time, so Cody asked me to come in and get them all caught up. She also did that in 2016. I worked on January to June 2016 packets towards the end of June and part of July 2016. This was because the staff left and she wasn't there to do it.
- I know when there was ending period of a grant, there would sometimes be a lag in when they would get the new contract approved which affected when they could submitted their expenses. I believe that also created a delay in their billings.
12. What services were provided by Tower Limited and Phillip Burgess?
- I don't really know. That was after I left. As I recall Brad was doing some consultant work, but I don't really know what he was doing. Phillip I believe was doing trainings at the conferences I believe. Not really sure.

Specific Questions:

13. In the June 2016 A19 expense reimbursement packet submitted to the AGO's we found invoices that were included for services that were not actually performed or incurred by WCCVA. Why are invoices paid when the services have not been performed?
- No, because I wouldn't have included them without there having been an actual invoice or receipt. I'm looking back in my emails. I was already back in Texas during this time, so

June 2016 was last packet I prepared remotely. Cody was emailing me this stuff. I have an email on this invoice from Cody that I can send you.

Follow up question: How did invoices get to you to be included in the reimbursement packets?

They were either scanned and sent to me or piled in an inbox in the office. They would come from Cody since there wasn't anyone else working there at that time. The bill can be entered in quickbooks as an expense, it just hasn't been paid. After I left, I don't know who Cody had cut checks at this time.

14. On January 20, 2017, some of the invoices in the June 2016 invoices were voided in the accounting system. Why were these voided?

- a. The 2 4Imprint invoices \$59,375.96 & Flashbay \$4,418

I don't have any idea who was there in 2017. These should have been backed out from the next packet. I would assume whoever was in there saw it hadn't cleared the bank and made the void.

Thank you for meeting with us today. If you think of something else you want to share with us, please don't hesitate to contact us.