

Fraud Investigation Fieldwork Plan

Reported Loss Information		
Fraud Case No.	F-18-363	
Entity	Attorney General's Office	
Date SAO was notified of loss	7/19/18	
Type of loss (e.g. cash receipts, disbursements, payroll)	Vendor disbursements for services not provided	
Reported amount of loss	Unknown, still determining if vendor fraud has occurred. At this time \$169,946 is questionable.	
Investigation Resources and Timeframe		
Fraud Specialist	Stephanie Sullivan, Assistant Audit Manager	
Audit staff	N/A	
Budget (Team and Team Fraud)	160-220 hours	
Proposed start date for fieldwork	August 2018	
Proposed completion date for fieldwork	October/November 2018	
Brief Background		
<p>A state grant administered by the AGO and paid to the Washington State Crime Victims Coalition (WCCVA) was identified as having significant mismanagement issues of public funds and is at risk for potential misappropriation. A recent in-depth review of the grant activities and supporting records by the AGO identified concerns that the WCCVA was submitting invoices for reimbursement to the AGO for services that were either later cancelled or never provided.</p> <p>Further, other concerns identified included a lack of required audits, unfiled taxes, and lapsed LLC status with the Secretary of State. At this time the AGO has identified approximately \$169,946 of inappropriately submitted invoices to the AGO by WCCVA for reimbursement.</p> <p>The Executive Director (Cody Benson) for WCCVA is the one responsible for preparing the expenditures paid and supporting invoices to be submitted to the AGO for reimbursement. Questionable disbursements paid to the Director have also been identified including questionable disbursements to related parties of the Director.</p>		
Planned Strategy / Procedures		Budget
1	Meeting with Mark Melroy, CFO Financial Services and getting initial information and support	2 hours
2	Review AG's information and draft proposed plan	6 hours
3	Review audit work files and financial statements worked on by the CPA firm	4-8 hours
4	Bank Statement review: <ul style="list-style-type: none"> Obtain a summary listing of all disbursements paid by AGO to WCCVA for July 2013 to June 2018 Review disbursements and supporting records maintained by the AGO for expenditures paid to WCCVA. Review the information for date of service reference and compare that to the date of reimbursement by the AGO. (20hrs) Trace disbursements paid by AGO to the WCCVA bank account records to ensure what the AGO paid was what cleared WCCVA's bank. If necessary, select some vendors for confirmation that the goods/services were provided. (40-50hrs) Subpoena WCCVA missing bank account statements and other identified bank accounts or supporting records (10-20hrs) 	70-90 hours
5	Review WCCVA quickbooks records for system voids or unusual adjustments related to disbursements paid by the AGO.	6 hours
6	Review the contracts in place between the AGO and the WCCVA. <ul style="list-style-type: none"> Document key information related to billing and payment requirements (2 hrs) 	25-30 hours

	<ul style="list-style-type: none"> • If time permits complete the following (23-28hours): <ul style="list-style-type: none"> ○ Compare budget summary information discussed in the agreements to actual fiscal year information. ○ Select key sections (Payroll compensation, Donations, Billing & Payment, Insurance, Records Maintenance, Subcontracting, Conflict of interest 42.52, Duplicate payment) of the grant agreement to ensure grant compliance through review of underlying supporting documentation. 	
7	Contact the Department of Commerce to discuss their past experience with the grant and working relationship with WCCVA. Further inquire if there were any concerns.	2-4 hours
8	Interviews: Meet with key WCCVA employees, AGO staff involved with the grant, and others identified as information is reviewed.	20-40 hours
9	Discuss reporting and draft reports	10-14 hours
10	Admin time (exit, team fraud review)	15-20 hours
11	Total hours	160-220
Subsequent Changes to Fieldwork Plan		
11		
12		
	Total additional hours	