

Attorney General Office

Interview of Greg Wright, Board President WCCVA

Date: December 3, 2018

Time: 10:00am -11:00 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 performing a review 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 just want to say we do a good job with providing the help and services that we can provided. I know there have been some questions with the technical things and I know you know we've had some problems with our bookkeeping, but by in large we have been doing pretty well in the past few years, except for the help and guidance from the AG's office. It seems like there was a real turning point when one of contract employees Brad Tower who works on interfacing with the legislature was asked to comment on some of the proposed legislation. Of course we don't lobby or take positions, but it was perceived as comments that weren't favorable towards the Attorney General and some of the legislation he was promoting. At that point the Attorney General's office has done everything they can to absolutely kill our organization. Follow up by Sarah: Well maybe we can help with that by going through some of our questions. The AG's have asked us to look into this and help with the situation.
- Are you willing to proceed? Yes

General Questions:

1. Can you describe for us your current role with WCCVA? President of the board. It's a volunteer position.
2. How long have you been involved with the WCCVA? It's been several years, maybe 5 or 6years

3. Have you held any other positions with them? Yes, I got involved with the organization as a board as a board member and then when there was an opening for president then I agreed to take on that responsibility also.

4. Please briefly explain what your primary responsibilities are?

Typically I oversee the board meetings and oversee our professional staff. Primarily what they do is organize trainings for advocates for victims of crime and service organizations. Training is then provided around the state.

I review the expenses and the finances. We use a bookkeeper and our auditor to handle the bank accounts and bookkeeping and I monitor the balance sheet and bank account activity.

5. Can you describe for us the types of revenues the WCCVA receives? (member fees, donations, merchandise sales, pledges, etc.)

The only thing that we get, we don't have any other money, is the grant money from the state. That is something the legislature didn't want us to focus on. The focus was on providing the services and trainings. I'm not aware that we charge fees to local groups, we don't want that to be a barrier for people.

Follow-up question: Ok, just so you know we are seeing where there may be annual dues. And that may be but a small amount. I know the message as always been that we don't want to create barriers for people. So maybe a nominal amount. The reality is the funding that comes in is not enough to sustain our operations.

6. Who is responsible for overseeing the day-to-day operations of the WCCVA?

That is our staff when we can have it and now we have none. The Executive Director, Cody Benson and her staff.

7. What accounting system was used by the WCCVA? Whatever the bookkeeper used, I don't know the system.

- a. Who was responsible for recording revenues and expenditures in the system?

Dixie the bookkeeper as far as I understand. But I don't know, I've never seen how it happens.

- b. Who were invoices turned into for processing payment to?

This is just my understanding and I don't know this for fact, but as things would come in they would go to the bookkeeper and the invoices would get sent to the Attorney General's office for reimbursement. I believe this was done either by Cody or Levi.

- c. Who was responsible for approving WCCVA expenses?

The Board, which is something we would look at. Something typically I would be looking at and see what was being spent.

8. Describe for us the Boards review of the WCCVA expenditures?

We would get financial reports and review how much money was coming in and going out and what the money was being spent for. We would typically compare what was happening with the money compared to the approved budget. We would get the bank statements in our report and I had online access.

i. Did this occur prior to them being incurred or after?

I was looking for what money was coming out of the bank. That was stuff the bookkeepers were looking at and the timing of when things were coming through. There were things that we would get submitted for reimbursement and that money would come in and at the same time money was going out for expenses. I know that was something we didn't have problems with the AG's office for several years. It was our own audit, that discovered our own bookkeeper was handling the money coming in for reimbursement for things that were approved by the AG. I know in one case there was a training that was submitted for reimbursement, but the training was delayed and then cancelled. We had been reimbursed by the AG's office and the money was sitting there, but we really couldn't see it because that wasn't coming in on our expense reports that I was receiving. Over a period of a couple of years, we had this money sitting in the account, but we couldn't see it but essentially it was sitting there.

Training never happened and the bookkeeper never communicated that this training never happened and the money was sitting there.

You know for example a training and we would need to rent a space or put together a manual, these are things that would happen before the training would occur. You know like McDonald's you are paying for a happy meal before you have it in your hand.

As I understand the grant, that is not how the AG's office is supposed to operate, but in the agreement, I think it says they can under certain circumstances can approve something to be paid before it actually happens. Now after the fact, the AG's office is really putting things under scrutiny and when the timing of these funds when they were released in relation to the grant. This is not something that was ever brought to our attention in the past. It was never the intention by anyone to either mislead anyone about when the happy meals were being paid for and we understand that this is something that needs to be corrected.

ii. Did this include actual invoices for review or a system report?

The review that I did personally did not include actual invoices. I was seeing an account total and the balance sheet. I was looking to make sure the bank balance was reasonable with the balance sheet.

The bookkeeper was keeping a record of everything. Prior to Cody, there were problems with seeing expenses by the other Executive Director.

9. What is your involvement with reconciling the WCCVA bank accounts? I wasn't necessarily reconciling them, but going in online and seeing things look ok. I am a volunteer, hold a full time job and so my main focus was on where is our money going and being spent. I looked for irregularities and patterns of payments.

d. Which banks did they use?

I would have to take a look. There is only one bank that we have.

Note later on in the interview he found the name: Bank of America. Multiple accounts? No we didn't have credit cards, but I believe it's just the checking account. There weren't additional funds that I was aware of.

e. Other accounts? Paypal?

Not to my knowledge. If we did it should have gone into the bank account. If we did have a nominal amount then the bookkeeper would have been consolidating them into the bank account.

10. Were you involved with preparing the A19 expense form that are submitted to the Attorney General's Office? If so, can you please describe how this worked? I believe that was done either by Cody or Levi. But I don't know. I know Cody would present them to me and the Board.

f. Who reviewed and approved these? I'm not familiar with the A19, is that the reimbursement form that was submitted to the AG's office?

Follow up by Sarah- Yes

It is typically my understanding that Cody was doing or if that was a function of what our bookkeeper was doing.

11. Can you describe what financial information is provided to the WCCVA Board, except invoices?

We did not see the physical invoices. So using the McDonalds example again. We can see where we bought happy meals at this much money and then we see where this got reimbursed. You can look at the bookkeepers desk and see where we spent a certain amount at McDonalds. Typically, most of our board meetings we did over the phone and in my review that would have been something that appeared out of normal then I might have wanted an invoice.

Follow-up question: Ok, my question was what financial information was provided to the Board. So financial statements, bank statements, and anything else?

I guess, well as it relates to technical interactions of the numbers. You know people don't join our board to help facilitate of the exchange of money, but instead how can our group be more responsive for the victims and providing services. When we would see the financials, we would look at the money going out and our expenses and how it looks compared to our budget. We were getting more from this staff than we did from the prior Executive Director because there was just a shell game going on with how monies were being spent.

Follow up question: There was a shell game going one, tell me what are you talking about? From what I remember, this was years ago, the prior Executive Director was paying false or phony invoices to the tune of huge amounts of money. What the board was being told was the money was being used for legitimate expenses.

Follow up question: And what Director was that?

That was Carla, I can't recall her last name.

12. What was your understanding of the services being provided by Tower Limited and Phillip Burgess?

Brad Tower that is something where alot of it related to advocacy and providing an education. He was being paid to be available to educate elected officials on our group that we exist and the services we provide as it relates to effects on victims of crime and their realities faced. Phillip Burgess name is not coming to me. Maybe he was the website guy. I know I haven't directly interfaced with him. Whatever he was doing that would have been through the Executive Director. What was it that we had paid him?

Follow up: It was a monthly fee paid to him roughly around \$3,000 monthly all of 2017. Oh, that was essentially what we were paying for Brad Tower's consulting services. That

was because Cody didn't have the physical capacity to do that and manage the trainings and other tasks. I didn't see the invoices on that.

Specific Questions:

13. In some of the A19 expense reimbursement packets submitted to the AGO we found invoices that were included for services that were not actually performed or incurred by WCCVA. Can you help us understand why?

Typically speaking, going back to the McDonalds thing, where we are buying happy meals for everyone in the office on a Friday and it's going to be \$25. We then submit that to the AG's office and they then send that \$25. But then because that was Ronald McDonalds birthday and so there store was closed and we didn't actually buy any happy meals and \$25 was not actually expended. We had received money from the AG's office for services that weren't performed and so we hadn't paid for them. My focus was far more on focusing that we are paying people properly and not paying people for things that didn't happen. The money that was never paid, we were very disappointed when this came to light and now we have extra happy meal money in the bank that we shouldn't. This has now been corrected on our balance sheet.

Specific answer to your question is that money was never paid because those things never occurred.

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.