

## Fraud Report

**Fraud #:** F-23-130

**Submission Date:** 04/07/2023

**Entity:** Commerce, Washington State Department of

## Dashboard

**Short Description:** rental assistance fraud

**Investigation Status:** Closed

**Assigned Team:** Single Audit

**Assigned PM:**

**PR Request ID's:**

**Public Records Request:** No

**Assignment Notes:**

**Detection Method:** Entity Management

**Entity:** S103

**Total Budget:**

**Team Budget:**

**Audit Number:**

**Audit Documentation:** Database Only

**TM Project Code:**

**Ok to release/bill time:** No

**Primary Loss Type:** Out of Scope

**Loss Type Notes or Sub Category:**

**Cyber Loss Category:** --

**Cyber Cause:** --

**This case contains sensitive information:** No

**Which tab or attachment contains sensitive information?**

**Results:** No Action - consider risk on next audit

**Closed Date:** 04/10/2023

**Inactivate:** No

**Inactive Notes:**

## Contact

**Created By:**

**Name:** Gena Allen

**Title:** Internal Control Officer

**Phone:** 3604805149

**Email:** Gena.Allen@commerce.wa.gov

## Assignment Notes:

## Paw and Plan

Loss Notification Date: 04/07/2023

PAW Assignment Date:

Initial Contact with Entity Date:

Assessment Completion Date:

Reviewing Team: Single Audit

Team Review Date:

Fraud Team Review Date:

Please describe, if we did not meet 5 and 10 day requirements:

Action/Next Step:

## Outcome

Exit conference date:

Exit conference attendees:

Misappropriation assigned amount:

Name and title of responsible party:

Misappropriation unassigned amount:

Questionable amount:

Misappropriation recovery amount:

Loss Amount:

Cyber recovery Amount:

Final audit cost:

Audit report number:

Audit report issue date:

Other case # s reported with this one:

## Restitution

SAO Approval Date:

SAO Approval Initials:

AG Approval Date:

SAO Approval Initials:

Amount Approved:

Point of Contact:

**Contacted PA Date:**

**Post audit PA/LE/FBI contact notes:**

## Activity Log

Date	Entry
04/10/2023	'Short Description' field updated, 'Detection Method' field updated from '--' to 'Entity Management', 'Audit Documentation' field updated from '--' to 'Database Only', 'Primary Loss Type' field updated from 'Cash Disbursements' to 'Out of Scope' by sullivan
04/10/2023	'Results' field updated from '--' to 'No Action' by sullivan
04/10/2023	'Investigation Status' field updated from 'Pre-Triage' to 'Closed', 'Closed Date' field updated from '' to '4/10/2023' by sullivan
04/10/2023	'Closed Date' field updated from '4/10/2023' to '4/10/2023', 'Results' field updated from 'No Action' to 'No Action - consider risk on next audit' by sullivan

## Initial Loss Report

**Department/area of concern:** Loss took place at our subrecipient level, Blue Mountain Action Council in Columbia and Garfield County

**What is the suspected loss or illegal activity?** 10750

**Start:** 12/10/2020

**End:** 05/12/2021

**What type of issue are you reporting?** Out of Scope

**What type of cyber concern are you reporting?** --

**What was the cause of initial attack vector for the cyber loss?** --

**Please describe the type of issue:**

**Please describe the amount of loss:** \$3,750 & \$7,000

**Please describe the suspected loss of illegal activity:** SUBMITTED DESCRIPTION: As reported by BMAC: The loss was \$10,750 of rental assistance funds. The loss was questioned when a new employee (KG) was hired at the BMAC Columbia County office. The new staff became suspicious when it was discovered that two rental payments were made on behalf of the current staff s (TS) fiancé, whom was known to live with TS. An internal audit was conducted by KG, and it was discovered that the rental payments were made to TS s mother, with two overlapping months of payments (December 2020 and January 2021). It was confirmed that the fiancé lived with TS, by the mobile home park manager.

**How was the suspected loss or activity detected?** Please see description above, loss caught by staff.

**Is an investigation in progress?** No

**If an investigation by management, law enforcement or others underway, who is in charge of this investigation?**

**What actions have you taken to date, if any?** BMAC has not reported to law enforcement, Commerce recommended they report the loss.

**Are there any dedications of employee involvement?** Yes, one of their employees was involved.

**Name and/or title of employee that have been involved in (responsible for) the loss.** The initials of the employee were reported to Commerce, not the name. We have requested to obtain the name of the employee and relative who was paid for the rental assistance. Commerce does not know if the employee is still employed by the entity. We have asked for that information.

**Is this person still employed by the agency?** No

**Describe the employee's job responsibilities and areas or functions the employee has/had access to:**

**Have any restitution agreements been signed?** No

**Has a police report been filed?** No

**Do you have a copy?** No

**Who at the entity is aware this concern is being reported?** Elizabeth, Guerra elizabethg@bmacww.org (509)  
529-4980