

Fraud Report

Fraud #: F-23-140

Submission Date: 04/12/2023

Entity: Commerce, Washington State Department of

Dashboard

Short Description: a rental assistance application loss at a non-profit subrecipient

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: 04/13/2023

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: 04/12/2023

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
04/13/2023	'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
04/13/2023	'Investigation Status' field updated from 'Pre-Triage' to 'Closed', 'Closed Date' field updated from '' to '4/13/2023', 'Results' field updated from '--' to 'No Action' by sullivan
04/13/2023	'Closed Date' field updated from '4/13/2023' to '4/13/2023', 'Results' field updated from 'No Action' to 'No Action - consider risk on next audit' by sullivan

Initial Loss Report

Department/area of concern: Rental assistance application loss at a non profit subrecipient

What is the suspected loss or illegal activity? 5960

Start: 10/01/2020

End: 02/28/2022

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: Two losses of rental assistance took place in October 2020 and February 2022. Loss occurred at Serenity House of Clallam County, a non profit entity. This is their description of the loss: There were two ERAPs paid out to Rene for Ashley Lauderback, who was residing at this address. One payment in October 2020 for \$1,560.00 and another payment in February 2022 for \$4,400.00, for a total of \$5,960.00.

Please describe the suspected loss of illegal activity: SUBMITTED DESCRIPTION: Two losses of rental assistance took place in October 2020 and February 2022. Loss occurred at Serenity House of Clallam County, a non profit entity. This is their description of the loss: With the homeowner, Sheri Neil, passing away, her daughters were working through the estate and looking further into the situation. From my understanding of the situation, there is confusion around whether or not the payments received by Rene Herrera (alleged acting landlord) were ever given to Sheri Rae Neil (homeowner/landlord). The paperwork had Rene as the acting landlord with verbal confirmation allegedly given by Sheri. There were two ERAPs paid out to Rene for Ashley Lauderback, who was residing at this address. One payment in October 2020 for \$1,560.00 and another payment in February 2022 for \$4,400.00, for a total of \$5,960.00.

How was the suspected loss or activity detected? The daughter of the deceased homeowner identified rental assistance payments had been made to people other than the homeowner, the homeowner did not receive the payments.

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? We are not sure if there is an investigation in progress. It is the entity's understanding the children of the deceased homeowner filed a police report, however, the entity was not involved in that process. We are reporting this to SAO and Treasury/OIG as we recently obtained the reporting information.

Are there any dedications of employee involvement? No.

Name and/or title of employee that have been involved in (responsible for) the loss. NA

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? Yes

Do you have a copy? No

Who at the entity is aware this concern is being reported? Morgan Bartholick, Business Development Manager
for Serenity House of Clallam County 360-452-7973, morgan.bartholick@serenityhouseclallam.org