

Status of Resolution of Reported Fraud Findings

December 2011

University of Washington (UW)**Agency: 360****Audit Report:** 1006178**Finding Number:** 001**Finding:** An employee at the University of Washington misappropriated \$252,059 in public funds between June 2008 and April 2010.**Fraud Amount:** \$252,059**Recovery to Date:** \$190,353**Resolution/Status:** Upon becoming aware of the potential loss of public funds, the University notified the State Auditor's Office. The University's investigation revealed that the former employee of the University of Washington Medical Center (UWMC) misappropriated funds using the procurement card (ProCard), corporate travel card and unearned leave.

The UWMC instituted an additional level of review of the ProCard and travel purchases by department personnel to ensure purchases are properly supported and document a valid business purpose. More robust online Procard reports have been developed and rolled out for better monitoring of expenses. These reports are easily accessible and are available to all relevant department fiscal staff. In addition, UWMC Accounting hired an internal control analyst who is responsible for conducting periodic examinations of medical center ProCard and travel expenses to ensure compliance with policies and procedures.

UWMC developed medical center specific ProCard training which has been rolled out to all departments. In addition, all current and prospective cardholders and account reconcilers are required to complete periodic online training and pass a quiz to demonstrate sufficient knowledge of ProCard policies and procedures. UWMC complies with University policies regarding travel approvals and maintenance of supporting documentation.

In May 2010, UWMC developed a standard UW Medicine Health Systems Time-Off Request Form and communicated standards for leave reporting documentation, retention and reconciliation to time sheets to all departments.

Personnel Action Taken: The employee was terminated on May 11, 2010.**Criminal Action Taken:** The case was referred to the King County Prosecutor's Office. The King County case number is 111029278. The sentencing is scheduled for December 2011.**Amount to be Recovered:** \$255,011 (\$252,059 misappropriation plus \$2,952 audit costs)

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