

Status of Resolution of Reported Frauds

December 2008

Department of Social and Health Services (DSHS)**Agency: 300**

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|---------------------------|---|
| Audit Report: | 6761 |
| Finding Number: | 004 |
| Finding: | Public funds were misappropriated at the Department of Social and Health Service's Division of Child Support. |
| Fraud Amount: | \$25,571.58 |
| Recovery to Date: | \$0.00 |
| Resolution/Status: | <p>The Department's Division of Child Support forwarded a referral to the Office of Financial Recovery on May 1, 2008, and is following the Department's collection procedures for the recovery of restitution.</p> <p>The Department will continue to establish, follow, and monitor an effective system of internal controls designed to ensure the protection of public assets from loss. The following additional safeguards were implemented as of May 31, 2007:</p> <ul style="list-style-type: none"> • Reconfigured workflow coordinator's cubicle with glass panels that provide a better view of the secured work area. • Added extra proxy readers to the secured area doors and assigned unique access code to limit access by non-secured area staff. • Provided personal storage space outside secured area and communicated expectation to staff regarding personal items not being allowed in the secured area. • Upgraded scanning units to provide immediate endorsement of negotiables upon opening. Checks are now kept in one area until they are batched and control tapes are run. • Implemented a leadership plan for the secured area that requires, in addition to the workflow coordinator, a supervisor and leadworker to be present at all times in the processing area. • Created an incident log, monitored by the program manager, to track all monies reported missing and track the outcome of research for the payments. • Reviewed internal control processes with staff and posted details prominently in the secured area. • Installed five additional cameras to the secured area and rearranged furniture for better camera coverage. Installed additional signage throughout the area to remind staff of security cameras. Assigned leadership member to review of secured area video daily. • Reviewed the hiring process and implemented the use of more extensive reference check practices. |

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Criminal Action Taken: A felony judgment was entered on February 19, 2008, in Thurston County, Washington, number 07-1-02008-3. Judgment entered for \$25,571.58 in restitution to the Department.

Personnel Action Taken: Employee was terminated.

Amount to be Recovered: \$25,571.58

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