



Washington State Auditor's Office

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Whistleblower Investigation Report Seattle Colleges

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Washington State Auditor's Office

June 23, 2016

Dr. Jill Wakefield, Chancellor
Seattle Colleges

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. 16-003 at the Seattle Colleges.

The State Auditor's Office received an assertion of improper governmental activity at the College. This assertion was submitted to us under the provisions of Chapter 42.40 of the Revised Code of Washington, the Whistleblower Act. We have investigated the assertion independently and objectively through interviews and by reviewing relevant documents. This report contains the result of our investigation.

Questions about this report should be directed to Whistleblower Manager Jim Brownell at (360) 725-5352.

Sincerely,

A handwritten signature in black ink that reads "Troy X. Kelley".

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

cc: Governor Jay Inslee
Frank Ashby, Vice President of Administrative Services
Kate Reynolds, Executive Director, Executive Ethics Board
Jacque Hawkins-Jones, Investigator

WHISTLEBLOWER INVESTIGATION REPORT

Assertions and results

Our Office received a whistleblower complaint asserting a dean (subject) at Seattle Colleges (College) mismanaged public funds by failing to maintain an accurate record of expenses related to grants. It was also asserted the subject regularly extended her travel for personal purposes.

We found no reasonable cause to believe improper governmental actions occurred.

Background

The College has four campus locations and a district office. The Georgetown Campus specializes in trainings and apprenticeship opportunities, which is funded by state and federal grants. The grants allow the College to conduct outreach, enhance student recruitment and retention, and build a stronger workforce. Some of the grants require College designees to travel for specific trainings or conferences.

About the Investigation

We examined grants the subject oversees and corresponding grant financial documents. We also examined the subject's travel documents from October 1, 2014 through October 31, 2015.

Grant Expenditures

The Georgetown Campus participates in various state and federal grant programs. According to the College's Vice President of Administrative Services, the subject oversees the overall activity of 12 grants totaling \$7 million at the Georgetown Campus; however, the management of some of these grants is assigned to other employees.

We spoke with the College's budget manager, who explained that when an expenditure is submitted for payment, the request must include supporting documentation to show it is an authorized expense allowable under the grant. It is then sent through the approval process, which consists of obtaining signatures from five administrators. During this process, the business office reviews the request for payment and verifies the expenditure is allowable under the grant's budget. Any questions that may arise are addressed directly with the subject or assigned grant manager.

We examined expenditures for three of the grants overseen by the subject and found all the payments were supported by adequate documentation and properly approved.

Travel

According to the College's policies, employees must have pre-approval to travel. An employee must fill out a travel authorization request (TAR) form. The TAR requires: name, title,

department, dates of travel, purpose for the travel, transportation costs, per diem, and other anticipated miscellaneous expenses. The TAR must be signed by five administrators.

If the travel is out of state, international, or for three nights or more, the TAR must also be signed by two additional administrators.

We examined six trips taken by the subject from October 1, 2014 through October 31, 2015. State travel policies allow an employee to extend travel for personal purposes as long as there is no additional cost to the state. We found the subject did not extend her travel for personal purposes.

We found no reasonable cause to believe improper governmental actions occurred.

State Auditor's Office Concluding Remarks

We thank College officials and personnel for their assistance and cooperation during the investigation.

WHISTLEBLOWER INVESTIGATION CRITERIA

We came to our determination in this investigation by evaluating the facts against the criteria below:

RCW 42.40.020: Definitions

(4) "Gross mismanagement" means the exercise of management responsibilities in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.

RCW 42.52.070: Special privileges

Except as required to perform duties within the scope of employment, no state officer or state employee may use his or her position to secure special privileges or exemptions for himself or herself, or his or her spouse, child, parents, or other persons.

34 CFR §74.27: Allowable costs

(a) For each kind of recipient, there is a set of cost principles for determining allowable costs. Allowability of costs are determined in accordance with the cost principles applicable to the entity incurring the costs, as specified in the following chart.

For the cost of a—	Use the principles in -
Private nonprofit organization other than (1) An institution of higher education; (2) a hospital; or (3) an organization named in OMB Circular A-122 as not subject to that circular	OMB Circular A-122
Educational institution	OMB Circular A-21

Circular A-21 – Subject: Cost Principles for Educational Institutions

J. General provisions for selected items of cost

53. Travel costs

a. General

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the institution's non-federally sponsored activities.

b. Lodging and subsistence

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as the result of the institution's written travel policy. In the absence of an acceptable, written institution policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under sponsored agreements (48 CFR 31.205-46(a)).

RCW 43.03.050: Subsistence, lodging and refreshment, and per diem allowance for officials, employees, and members of boards, commissions, or committees

(1) The director of financial management shall prescribe reasonable allowances to cover reasonable and necessary subsistence and lodging expenses for elective and appointive officials and state employees while engaged on official business away from their designated posts of duty. The director of financial management may prescribe and regulate the allowances provided in lieu of subsistence and lodging expenses and may prescribe the conditions under which reimbursement for subsistence and lodging may be allowed. The schedule of allowances adopted by the office of financial management may include special allowances for foreign travel and other travel involving higher than usual costs for subsistence and lodging. The allowances established by the director shall not exceed the rates set by the federal government for federal employees. However, during the 2003-05 fiscal biennium, the allowances for any county that is part of a metropolitan statistical area, the largest city of which is in another state, shall equal the allowances prescribed for that larger city.