



Washington State Auditor's Office

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Whistleblower Investigation Report Washington State University

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June 9, 2016

Daniel Bernardo, President
Washington State University

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. 16-006 at the Washington State University.

The State Auditor's Office received an assertion of improper governmental activity at the University. 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,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

cc: Governor Jay Inslee
Heather Lopez, Director, Internal Audit
Kate Reynolds, Executive Director, Executive Ethics Board
Jennifer Wirawan, Investigator

WHISTLEBLOWER INVESTIGATION REPORT

Assertion and results

Our Office received a whistleblower complaint asserting a Washington State University manager used, and permitted others to use, University purchasing authority or property for non-work-related purposes.

We found reasonable cause to believe an improper governmental action occurred.

Background

Washington State University (University) conducts bio-based product research and development within various laboratories and classrooms. The Einstein Pilot Facility (Facility), located on the University's Tri-Cities campus, was developed in 2008 for the pre-treatment and fermentation of biomass used in biofuel conversion. Much of the equipment used in the facility is fabricated or modified on site due to the unique nature of its operation.

The whistleblower asserted that the subject used University funds and other University resources to fabricate equipment for his own personal gold prospecting activities.

About the Investigation

We visited the Facility, examined purchasing records, spoke with witnesses, and interviewed the subject.

In November 2014, the subject requested approval to purchase a welder. According to the subject, the welder they had was not the correct type for the Facility, as it was more appropriate for large projects such as railroad tracks and bridges.

We spoke with the subject's supervisor who said she approved the welder purchase so staff could fabricate equipment, such as a separation system, needed to conduct research. She said an employee who worked for the subject had prior welding knowledge and she felt both he and the subject were "very capable."

The subject said the employee he supervised had some welding knowledge but no knowledge or experience working with the new, more precise welder. He said they had a common hobby of gold recovery and since they both needed to practice using the welder, they decided to build personal gold recovery equipment. He said the gold recovery equipment was built at the Facility during his free time over approximately one year, using the new welder and welding rods purchased by the University.

The subject said he now realizes he violated state law and University policy, but at the time he believed his actions ultimately benefited the University because he and his employee obtained the necessary skills to operate the welder.

The subject used University resources to fabricate items for personal use. Therefore, we found reasonable cause to believe an improper governmental action occurred.

University's Plan of Resolution

Washington State University (WSU) acknowledges and agrees with the SAO conclusion under assertion of misuse of University property for non-work-related purposes. The University takes assertions of misuse very seriously and appreciates the SAO's attention to this matter and the opportunity to respond to the findings.

As reported in the findings, the employee has admitted to using University property to build and work on personal gold recovery equipment. He has stated he purchased materials with his own funds and worked on the activity, onsite, after normal working hours.

The SAO's report will be forwarded to the chancellor's office for his review and appropriate action.

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 42.52.160 - Use of persons, money, or property for private gain.

(1) No state officer or state employee may employ or use any person, money, or property under the officer's or employee's official control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another.

WAC 292-110-010 - Use of state resources.

(1) Statement of principles - stewardship. The proper stewardship of state resources, including funds, facilities, tools, property, and employees and their time, is a responsibility that all state officers and employees share. Accordingly, state employees may not use state resources for personal benefit or gain or for the benefit or gain of other individuals or outside organizations. Responsibility and accountability for the appropriate use of state resources ultimately rests with the individual state officer or state employee, or with the state officer or state employee who authorizes such use. State officers and employees should ensure that any personal use of state resources permitted by this section is the most efficient in terms of overall time and resources.