



Office of the Washington State Auditor
Pat McCarthy

Whistleblower Investigation Report
Department of Social and Health
Services

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Cheryl Strange
Department of Social and Health Services

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. 19-004 at the Department of Social and Health Services.

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

If you are a member of the media and have questions about this report, please contact Director of Communications Kathleen Cooper at (360) 902-0470. Otherwise, please contact Assistant Director of State Audit Troy Niemeyer at (360) 725-5363.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

cc: Governor Jay Inslee

Andrew Colvin, Discovery & Ethics Administrator

Kate Reynolds, Executive Director, Executive Ethics Board

Cristopher de la Peña, Investigator

WHISTLEBLOWER INVESTIGATION REPORT

Assertion and Results

Our Office received a whistleblower complaint that a Department of Social and Health Services (Department) employee (subject) received several unauthorized and unreported travel reimbursement payments from a non-state agency.

We found no reasonable cause to believe the subject performed an improper governmental action. However, we believe the issue described in our report requires attention by the Department.

Background

The Department of Social and Health Services (Department) Division of Child Support (DCS) contracts with the Washington Association of Prosecuting Attorneys (WAPA), a non-profit organization, to provide support and assistance to the county prosecuting attorney offices throughout the state. WAPA created the Support Enforcement Project (WAPA-SEP), which includes one director and eight staff members, to provide support under the contract. WAPA-SEP provides training and information technology (IT) services to the prosecutors' offices for Title IV-D cases of the Social Security Act, in establishing child support payments. Additionally, a DCS employee, the subject, worked with the Project to provide IT support and maintenance to the counties, which required her to travel.

The Office of Financial Management (OFM) has published the State Administrative and Accounting Manual (SAAM) to provide for the accountability of state assets. The SAAM provides policies regarding the financial and administrative affairs of the state, and minimum requirements that state agencies must meet.

Chapter 10 of the SAAM outlines the policies and procedures for state employee travel and reimbursement. According to the SAAM, all state officers, employees and volunteers must comply with the policies for travel outlined in the SAAM unless otherwise provided for by law.

About the Investigation

During the meeting when we notified the Department of this investigation, members of the DCS management team said they believed there was a provision in the contract between DSHS and WAPA-SEP that authorized the subject to claim travel reimbursement through WAPA-SEP. Our Office obtained a copy of the contract and could not identify a provision within the contract that authorized the subject to request travel reimbursement through WAPA-SEP, a non-state agency.

Our Office requested the subject's Travel Expense Management System (TEMS) records from the Department. The Department responded that the subject had no requests for reimbursement recorded in TEMS.

WAPA-SEP provides invoices and supporting documents to DSHS on a monthly basis. We reviewed invoices WAPA-SEP submitted from September 2017 through July 2018. We found two WAPA-SEP Travel Expense Report forms with the subject listed as an employee submitted with the WAPA-SEP invoices – one in October 2017 and the other in June 2018. The travel costs claimed on these forms did not exceed the travel costs eligible for reimbursement under the rules set forth in the SAAM.

We interviewed the subject, who said she was directed to request travel reimbursement through WAPA-SEP while she was providing IT support but could not recall who gave the direction. The subject said she had been providing IT support to WAPA-SEP for about 28 years. She said that about 20 years ago, a Director of DCS – she could not recall a name – made the decision that DSHS employees providing IT support to WAPA-SEP would request travel reimbursement through WAPA-SEP due to budgetary constraints. The subject said that since then the practice had continued and subsequent Directors of DCS and other members of the DCS-IT management team knew of the practice. She named current and former members of the management team and Directors who knew of the practice. The subject said she had never been told to stop requesting travel reimbursements through WAPA-SEP until May 2018. She named other DSHS employees who provided IT support to WAPA-SEP and requested travel reimbursement through WAPA-SEP. The subject said the WAPA-SEP travel reimbursement was paid at the same rates as the state.

We found WAPA-SEP Travel Expense Report forms with the names of two other DSHS employees on them. We then interviewed both of the DSHS employees, witness 1 and witness 2. Both said they were told requesting travel reimbursement through WAPA-SEP was the standard practice when providing IT support to WAPA-SEP. Witness 1 said the subject told them this. Witness 2 did not recall who told them to follow this practice, but believed this practice was DSHS policy for DSHS employees working with non-state agencies. Witness 2 did not recall ever reading this policy. Both witnesses said that DCS management was aware that DSHS employees requested travel reimbursement through WAPA-SEP. Both said this was a long-standing practice that was allowed to continue until June 2018.

We interviewed the current DCS-IT Chief. He said he took over as the DCS-IT Chief four years ago. He explained that he knew the subject traveled in support of WAPA-SEP and noticed the subject never submitted travel reimbursement requests through TEMS. The DCS-IT Chief said the former DCS Director told him that the subject had been requesting travel reimbursement through WAPA-SEP for at least 20 years and management was aware the entire time. He said the former DCS Director told him the contract between DSHS and WAPA-SEP allowed the subject to request reimbursement through WAPA-SEP. He was unable to explain why this practice began or who originally authorized it, adding that anyone who knew was probably no longer a state employee. The DCS-IT Chief said following the results of a previous whistleblower investigation, the subject no longer traveled in support of WAPA-SEP as of June 2018, and all other DSHS employees who traveled to provide support to WAPA-SEP now used TEMS for travel reimbursements.

We found the practice of DSHS employees requesting travel reimbursement through WAPA-SEP, a non-state entity, began over 20 years ago; members of DCS management were aware of it and allowed it to continue. We could not find any documentation that authorized or justified this practice. We could not find any evidence of who made the decision to begin this practice.

Because we could not determine the origin of this practice, we found no reasonable cause to believe the subject performed an improper governmental action.

Department's Plan of Resolution

Thank you for the opportunity to review and respond to the State Auditor's Office (SAO) report on Whistleblower Case Number 19-004. The Department of Social and Health Services (DSHS) appreciates the assistance of the SAO by providing the Department with important facts from its investigation.

The report states the SAO found no reasonable cause to believe an improper governmental action occurred. However, SAO believes the issue described in the report requires attention by the Department. According to the report:

SAO found the practice of DSHS employees requesting travel reimbursement through WAPA-SEP, a non-state entity, began over 20 years ago; members of DCS management were aware of it and allowed it to continue. SAO could not find any documentation that authorized or justified this practice. SAO could not find any evidence of who made the decision to begin this practice.

For the past 20 plus years, the Department's Division of Child Support (DCS) Information Technology (IT) employees, including the subject, provided the bulk of IT support for the WAPA-SEP program. The IT employees' duty stations were mainly located at the WAPA Annex in Olympia and their day-to-day job assignments were handled by WAPA-SEP staff. WAPA-SEP appropriately reimbursed the subject's travel under a previous informal agreement between the Department and WAPA-SEP.

In early February 2017, the Department made changes to the aforementioned structure to provide more visibility and oversight of IT service requests and the associated work performed. These changes included moving the subject's duty station to DCS Headquarters in Olympia and subsequently moving the oversight of travel back to the Department.

On June 15, 2018, the Department signed a new contract with WAPA-SEP for fiscal year 2019, effective July 1, 2018 through June 20, 2019. The new contract stipulated a one-year transition of IT services to DCS IT from the current jointly-managed structure to provide better management and visibility of the IT architecture and better overall service to our customers. As of January 4, 2019, the Department successfully completed the aforementioned transition of IT services.

As of July 1, 2018, the Department's DCS IT staff supporting the WAPA-SEP program are required to submit their travel reimbursement requests through the Department's Travel Expense Management System (TEMS) for reimbursement by the Department.

State Auditor's Office Concluding Remarks

We thank Department 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 42.52.110 Compensation for official duties or nonperformance.

No state officer or state employee may, directly or indirectly, ask for or give or receive or agree to receive any compensation, gift, reward, or gratuity from a source for performing or omitting or deferring the performance of any official duty, unless otherwise authorized by law except: (1) The state of Washington; or (2) in the case of officers or employees of institutions of higher education or of the *Spokane intercollegiate research and technology institute, a governmental entity, an agency or instrumentality of a governmental entity, or a nonprofit corporation organized for the benefit and support of the state employee's agency or other state agencies pursuant to an agreement with the state employee's agency

WAC 292-110-010(1) Use of state resources.

(1) Statement of principles. All state employees and officers are responsible for the proper use of state resources, including funds, facilities, tools, property, and their time.

SAAM 10.20.10 Who must comply with these policies?

The following persons in the executive, legislative, or judicial branches of government must comply with the policies in this chapter:

1. All state officers, employees, and volunteers that agencies have legal authority to utilize, unless otherwise provided by law.