



Presented June 27, 2012

Fraud Hotline Summary Report

The Office of Internal Audits and Investigations investigates allegations of waste, fraud and abuse. Reports are made via the Hotline by telephone at 1-800-539-6621 or online at www.tnwinc.com/reportline/university.

Since implementing the Hotline in September 2006, the Office of Audits and Investigations has received a total of 506 reports. To date, a total of 397 investigations have been completed and 107 cases are currently assigned. The backlog in non-processed complaints has grown from last year's 91 cases to 107 cases as of this report.

Resolution_Status	Count	Percent of Count
Approved/Closed	397	78.46%
Assigned/In Progress	107	21.15%
New/Unassigned	2	0.4%
Totals	506	100%

The Office of Internal Audit addresses in the following order of priority - Special Investigations/Audits, Required Audits and Hotline Cases. Inclusive of the Director, two Audit Manager Positions can conduct internal investigations, and two Operational Audit Positions are not authorized to perform internal investigations; these are position requirements stated in the respective Job Descriptions.

Not included in these numbers are reported cases of waste, fraud and abuse made by mail, in person or by referrals from other departments. During 2011 – 2012, this office investigated 8 of these cases that required a significant investment of department resources.

Investigative Findings

Of the 397 investigations completed, 26% of these cases resulted in a type of corrective or administrative action. Due to lack of evidence or information, 21% of investigations were closed. Cases resulting in an employee being cleared of the allegation totaled 30 %. Only 9% of the cases resulted from false allegations reported.

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Investigative Findings – continued

Disposition	Count	Percent
Cleared	119	30%
Action Taken	103	26%
Insufficient Info/Evidence	83	21%
False Allegations	35	9%
N/A	31	8%
Terminated	16	4%
Disciplined	10	3%
Totals	397	100%

Current School Year 2011/2012

The following chart reflects the numbers for complaints received in school year 2011-2012 and the response from the Office of Internal Audit.

Hotline Complaints – Current Year

Disposition	Count	Percent
Assigned Pending Action	52	65%
False Allegations	8	10%
Insufficient Info/Evidence	6	8%
Action Taken	5	6%
N/A	5	6%
Cleared	4	5%
Totals	80	100%

This year's N/A reflects complaints closed due to not being addressed prior to the cause for the complaint basis ceasing to exist.

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Hotline Complaints – Current and Prior Year Closed 2011-2012

Disposition	Count	Percent
Action Taken	20	27%
False Allegations	15	21%
Insufficient Info/Evidence	13	18%
N/A	13	18%
Cleared	9	12%
Terminated	2	3%
Disciplined	1	1%
Totals	73	100%

Type of calls being reported to the Hotline

Of the top 10 categories reported to the Hotline, policy issues and theft of time continue to be the most common.

- District staff reported abuse of overtime pay or pay for hours not worked. Examples of these types of cases include: unauthorized or unwarranted extra/overtime, extended lunch or break periods, absences not reported to time and labor etc.
- Policy issues include violations of district policies and procedures. Inappropriate or questionable appropriation of a school budget, Title 1 funds or use of a procurement card. Use of district facilities or resources for non-district related functions or personal gain.

School Year 2011 – 2012

Incident_Type	Count	Percent
Policy Issues	14	18%
Theft of Time	12	15%
Accounting/Audit Irregularities	7	9%
Other	7	9%

Reported Prior Years

Incident_Type	Count	Percent
Theft of Time	82	19%
Policy Issues	79	19%
Fraud	57	13%
Employee Relations	50	12%

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Employee Relations	6	8%	Conflicts of Interest	41	10%
Fraud	6	8%	Wage/Hour Issues	15	4%
Theft of Cash	5	6%	Other	14	3%
Academic Fraud	3	4%	Safety Issues and Sanitation	13	3%
Conflicts of Interest	3	4%	Discrimination	12	3%
Fraudulent Insurance Claims	3	4%	Theft of Goods/Services	9	2%
Safety Issues and Sanitation	3	4%	Academic Fraud	8	2%
Theft of Goods/Services	3	4%	Conflicts of Interest/Nepotism	7	2%
Wage/Hour Issues	3	4%	Attendance	5	1%
Substance Abuse	2	3%	Sexual Harassment	5	1%
Discrimination	1	1%	Theft of Cash	5	1%
Falsification of Company Records	1	1%	Accounting/Audit Irregularities	4	1%
Kickbacks	1	1%	Falsification of Company Records	4	1%
Totals	80	100%	Workplace Violence/Threats	4	1%
			Fraudulent Insurance Claims	3	1%
			Payroll/Paycheck Issues	3	1%
			Retaliation of Whistleblowers	3	1%
			Kickbacks	2	0%
			Product Quality Concern	1	0%
			Totals	426	100%