

Department of Revenue

Agency 140

Audit Report	Finding Number	Finding and Resolution	
1034565	001	<p>Finding:</p> <p>Fraud Amount:</p> <p>Amount to be Recovered:</p> <p>Recovery to Date:</p> <p>Resolution/ Status:</p> <p>Personnel Action Taken:</p> <p>Criminal Action Taken:</p> <p>Agency Contact:</p>	<p>The Department’s internal controls were inadequate for safeguarding public resources, resulting in misappropriation and questionable payments to an out-of-state employee from November 2020 to October 2023.</p> <p>\$5,600</p> <p>\$12,950 (fraud and investigation costs)</p> <p>\$0</p> <p>The Department conducted an internal investigation after notifying the State Auditor’s Office of the suspected loss. The Department’s Audit Division has addressed the findings of the internal investigation, as follows:</p> <ul style="list-style-type: none"> <li>• Implemented policies and procedures specific to the payment of out-of-state auditor special allowances and reimbursements.</li> <li>• Updated training manuals for supervisors.</li> <li>• Resumed the requirement for supervisors to verify out of state employees’ work locations physically within six months of employment, and annually thereafter.</li> </ul> <p>The Department is also exploring other address verification processes and additional supervisory training on verifying the authenticity of documents.</p> <p>The Department prepared to take disciplinary action; however, the employee resigned prior to the action being taken.</p> <p>The Department is seeking guidance from the Attorney General’s Office on restitution options.</p> <p>Sarah Saavedra                      Internal Audit Manager                      6400 Linderson Way SW                      Tumwater, WA 98501                      (360) 596-3632  <a href="mailto:SarahS2@dor.wa.gov">SarahS2@dor.wa.gov</a></p>