

Fraud Report

Fraud #: F-20-277

Submission Date: 08/20/2020

Entity: Fort Worden Public Development Authority

Dashboard

Short Description: a potential misuse of public funds

Investigation Status: Closed

Assigned Team: Port Orchard

Assignment Notes:

Detection Method: Entity Management

Entity: 3074

Total Budget: 100

Team Budget: 83

Audit Number: 47178

Audit Documentation: TM File

TM Project Code: 43FortWorden-AC20-FD20

Ok to release/bill time: No

Primary Loss Type: Other

Loss Type Notes or Sub Category:

Cyber Loss Category: --

Cyber Cause: --

This case contains sensitive information: No

Which tab or attachment contains sensitive information?

Results: Reduced Report

Closed Date: 01/12/2022

Inactivate: No

Inactive Notes:

Contact

Created By: ehlingerc

Name: Carol Ehlinger

Title: Audit Manager

Phone: 360-79006848

Email: ehlingerc@sao.wa.gov

Assignment Notes:

Paw and Plan

Loss Notification Date: 08/20/2020

PAW Assignment Date:

Initial Contact with Entity Date:

Assessment Completion Date:

Reviewing Team: Port Orchard

Team Review Date:

Fraud Team Review Date:

Please describe, if we did not meet 5 and 10 day requirements:

Action/Next Step:

Outcome

Exit conference date: 12/06/2021

Exit conference attendees:

Misappropriation assigned amount: 10054

Name and title of responsible party:

Misappropriation unassigned amount: 0

Questionable amount: 0

Misappropriation recovery amount: 0

Loss Amount: 0

Cyber recovery Amount: 0

Final audit cost: 21000

Audit report number: 1029376

Audit report issue date: 12/23/2021

Other case # s reported with this one:

Restitution

SAO Approval Date:

SAO Approval Initials:

AG Approval Date:

SAO Approval Initials:

Amount Approved:

Point of Contact:

Contacted PA Date:

Post audit PA/LE/FBI contact notes:

Activity Log

Date	Entry
08/20/2020	Fraud updated by sullivan

08/20/2020	PAW Notification Sent
08/21/2020	PAW exported
08/21/2020	Called contact David Timmons and left message asking to set up date/time for conversation (complete PAW). (macintyre)
08/21/2020	Called contact David Timmons and left message asking to set up date/time for conversation (complete PAW). (macintyre)
08/26/2020	Team will reach out to entity to clarify if they have reported to LE that the subject is in possession of government records and used personal computer to conduct PDA work. Team will also remind the entity to make sure they have secured any records and removed the subject from bank account access. (sullivans)
09/21/2020	Fraud updated by sullivans
09/21/2020	Entity hired external investigator to perform a preliminary review of Authority records. We will perform an external review of the investigation once complete. (sullivans)
09/21/2020	Attachment added
09/29/2020	Spoke to Detective from Port Townsend PD who plans to wait for SAO's review of the outside investigators work. (sullivans)
10/06/2020	Meeting held with entity- David Timmons, John Watts, and Detective Staurat on 10.5.20 to discuss the reported concern and SAO process. Work performed by outside investigator will be turned over to SAO for review and SAO will open an investigation to review other concern areas not reviewed by the investigator. (sullivans)
10/06/2020	Fraud updated by sullivans
01/11/2021	External review work complete, team will start expanded investigation plan work. (sullivans)
10/27/2021	Called subject at (503-213-3116) on 10/20/21 and 10/22/21 and left voicemails requesting a return call. (sullivans)
10/27/2021	LOR= reduced report (sullivans)
12/15/2021	FR report exited 12/6/21. Response received and report is scheduled to publish 12/23/21. (sullivans)
12/22/2021	Attachment added
12/22/2021	Fraud Investigation Report exit conference held 12/06/2021, report attached in supporting documents. (seibertm)
12/22/2021	Attachment added
12/22/2021	Attachment added
12/22/2021	Attachment added
12/22/2021	Fraud updated by sullivans
12/22/2021	Fraud updated by sullivans
01/12/2022	Fraud closed by sullivans

Initial Loss Report

Department/area of concern: All Departments

What is the suspected loss or illegal activity?

Start: 08/14/2020

End: 08/14/2020

What type of issue are you reporting? Other

What type of cyber concern are you reporting? --

What was the cause of initial attack vector for the cyber loss? --

Please describe the type of issue:

Please describe the amount of loss:

Please describe the suspected loss of illegal activity: The Interim Executive Director contacted SAO and indicated that the former CFO (resigned) may have misappropriated funds. The ED indicated that the former executive director and the CFO inappropriately made payments and moved funds from one fund to another without explanation or board approval. The Interim Executive Director contacted SAO and indicated that the former CFO (resigned) may have misappropriated funds. The ED indicated that the former executive director and the CFO inappropriately made payments and moved funds from one fund to another without explanation or board approval.

How was the suspected loss or activity detected? through review of the financial statements

Is an investigation in progress? No

If an investigation by management, law enforcement or others underway, who is in charge of this investigation?

What actions have you taken to date, if any? Let the PDA know that they should put the ED on some type of leave

Are there any dedications of employee involvment? Yes, there is

Name and/or title of employee that have been involved in (responsible for) the loss.

Is this person still employed by the agency? No

Describe the employee's job responsibilities and areas or functions the employee has/had access to:

Have any restitution agreements been signed? No

Has a police report been filed? No

Do you have a copy? No

Who at the entity is aware this concern is being reported?