

## **Attorney General Office**

Interview of Cody Benson, Executive Director

Date: December 5, 2018 & December 7, 2018

Time: 8:00am-9:30am (12/5) & 7:30-8:30am (12/7)

Interviewers: Sarah Walker, Fraud Manager and Stephanie Sullivan, Assistant Fraud Manager

Place: via skype

Introductory information and questions:

- Thank you for meeting with us today. My name is Sarah Walker and this is Stephanie Sullivan. We will both be asking some questions and taking notes.
- The State Auditor's Office is a reporting agency, not an enforcement agency. We perform several different types of audits at a variety of government agencies across the State of Washington. The State Auditor's Office is reviewing a state grant that provided funding to the WCCVA and we have a few questions about the process and specific transactions.
- I want to make sure you are aware of the following:
  - You are not required to discuss any information related to the audit with us; however, we consider your input valuable and it will assist us in making recommendations.
  - If you would like to end the meeting at any time, you may do so. Also, if you want to take a short break from the interview, just let us know.
- Do you understand what we have explained to you? Yes
- Are you willing to proceed? Oh yeah absolutely

General Questions:

1. How long did you work for the WCCVA? I started around September 2012 and worked there for about 7 years.
2. What was your position title? Have you held any other positions?  
Executive Director. When I started, I was the Director of Public policy, which was a different role. Shortly after being hired, they terminated their Executive Director and asked me to serve as the interim Director. For most of the time, I was the Executive Director.
3. Please briefly explain what your primary responsibilities were.  
It's a small nonprofit with limited staff and so I handled alot of everything. I made sure we were making our grant deliverables, which would be number one on the list. Oversee staff and their daily work. Working with public policy duties and tracking legislation. Educating membership individuals on L&I policy.  
Handling interactions with victims. Oversee training and helping with getting the training running due to limited staff. Overseeing the finances and working with the Board.  
Long list and alot of hats to wear.
4. Can you describe the WCCVA payroll process?

We have an outside payroll company to process our payroll. Since I was hired had the same company. We simply notify them monthly of the staff to be paid. All our employees are exempt so we did not report hours but we would notify payroll if there is any vacation or sick leave used. The leave time was all approved by myself and Greg the Board Chair. The company handles the tax calculations and deductions and then provides us with a payroll report.

a. **Who were the employees and their positions (last 3 years)?**

Primarily it has been myself and Levi for the last 3 years.

Levi was the Office Manager which includes some training pieces and working with the accountant as well.

Rose was the Director of Training and Jolene was an Office Manager briefly.

Brad Tower- full time position now contracted position

Accountant- Dixie (2016-2018) and she did not work in the office. Prior to Dixie was Jackie who did work at the office.

b. **How you were compensated?**

I was salaried. My salary was setup as automatic deposit into my personal checking account. My salary was weird, I was paid monthly, but once annually, I get a salary adjustment of \$12,000. The Attorney General's office said to refer to this as a salary adjustment. Prior to that, they had called it a bonus.

Follow up question: Why wouldn't you just want the amount each month? It was what they had decided beforehand. It didn't really matter to me, if I had it monthly or once annually. It really wasn't an issue.

c. **Did you keep a timesheet or how was your payroll monitored?**

No, we would keep track of leave time for vacation, holiday, and sick. The accountant told us we did not need to do this and we confirmed this with L&I. Prior to my being there it sounded like there had been an issue in the past. They were tallying up hours their timesheets looked excessively large and wanting that time to be comp time.

Follow up question: How did you track your time?

We had leave request forms that would get filled out and that gets filed and sent over to the payroll company. Someone from the Executive Committee (Greg) would see what is sent over to the payroll company. Payroll reports are also sent to the AGO's office monthly. If I take leave that has to be approved by the Board president or another executive committee officer. Once approved then it goes to the accountant and payroll and then it goes over to the AGO's office. If Melanie or Betty at the AGO's had questions they would have talked to Dixie or Jackie (accountants).

d. **Were payroll draws allowed?**

Yes, these would be approved by the board president or executive committee

- i. **How were these processed?** There are very few draws ever taken. It would first have to be approved and I would notify the payroll company that a draw had been taken and they could then record this and reduce it from payroll.

- ii. Who approved and monitored these? Board president or another member of the executive committee. AGO grant manager.
- 5. Who was responsible for the WCCVA website? Primarily me.
- 6. What accounting system was used by the WCCVA? Quickbooks
- 7. What types of revenue does the WCCVA receipt?  
Primarily just the grant. We do get a few membership dues dollars in but very minimal in a year, less than a \$1,000.

- a. Membership dues

Prior to when I started there, they used to do large member dues drives to raise funds for the organization. This was when Department of Commerce managed the grant. When the grant switched to AGO, this changed. Part of this was that the legislature wanted the WCCVA to be able to focus on meeting the needs of advocates and victims instead of various fund raising events and not wanting us to charge the victims for services. The AGO agreed we would not push this area for revenues. We still have it listed on the website, so we still do accept some minimal donations, but we do not send out dues memberships any longer.

Follow up question: When did you stop sending out dues?

I'm not sure, it's been a number of years. The accountant could look that up.

- b. Merchandise sales on wccva website/ ebay

We do not do merchandise sales. We used to do this before I started, but again minimal items were for sale, like magnets. Since 2013, we have not had any merchandise sales. But mostly this was prior to when I was hired by WCCVA.

- c. Donations & Pledges

We don't solicit for this, again because when the grant was switched over, it was the AGO's agreement to not focus on this.

- d. Googlesearch revenue

This was something the Former Executive Director had setup. I don't recall there being anything since then. The accountant or auditor could answer this. Not something, we were pushing for or pursuing.

- 8. What was the process for recording revenues in the accounting system?  
If anything came it, it would have gone directly to the Accountant. I would take a photocopy of it and then deposit it. The accountant would record in the system. This was a minimal area.
  - a. Who was responsible for recording them? The Accountant.
- 9. What was the process for recording expenses in the accounting system?  
That too would all be the Accountant. The Accountant would enter this into Quickbooks. If the invoice came in, I would approve it. I would provide it to the bookkeeper (Accountant). When Jackie was there it was nice because she was actually in the office and so it worked better because she would compile them and organize them for me to review. When it changed to Dixie because she works outside of the office, the process for collecting

the invoices paid would fall on myself or Levi. We would need to go through each month and I would go through those and make sure they were all as they should be and give them to the bookkeeper who would enter those into Quickbooks. We would then provide all of that to the AGO's who would approve them.

a. Who was responsible for recording them in the system? Accountant/Bookkeeper

b. Who handled paying the WCCVA expenses?

i. What was the typical method of payment? (Check, Credit Card, Cash)

Never paid cash. Mostly paid by check and there are some things that are paid electronically. Like a reoccurring charge out of the bank. No credit card, there is a debit card, but used minimally.

10. Did you ever process any system adjustments? Such as voids?

No. I do not actually have any access to QuickBooks. It is on one laptop with access and kept by the bookkeeper. No other staff had access to it. I did not access the system to try to figure it out. The only thing I would see are the printed reports from the system from the bookkeeper. I did not review system adjustments.

11. Were you involved with reconciling the WCCVA bank account?

I reconciled them each month making sure all the expenses going through were ok. I would go through and make sure all of the invoices that I had, had gone through on the bank statement. I would check those off to make sure they were the correct amounts.

The accountant reconciles the system and the bank each month. Greg and I both would review the bank statements to make sure everything going through was right.

We relied on the accountant to let us know if there were checks not going through. But because of the bookkeeping position changes, that is where somethings fell through the cracks. Now with Dixie in place, if there was anything then she would notify us since she is making sure everything ties back as it should.

a. What is the name of the bank they use? Bank of America

b. Multiple bank accounts? One

c. Other accounts, Paypal? There is a paypal account that is tied to the online membership. That would be the only use for it. Any funds received get transferred straight into the bank of America account. I would transfer the money from paypal into the bank account. Again, this was very rare. Now that I'm gone I don't know how it's handled.

12. Who was involved with preparing the A19 expense forms submitted to the Attorney General's Office? Please describe how this worked.

Accountant puts together and I sign and approve that. This is making sure all the invoices are put together and make sure, that everything is accounted for and that everything that is in there should be in there. The Accountant puts the sheet together and then I review and sign that. This goes to the board for approval and then goes to the AGO grant manager. It is pretty cut and dry. Everything is approved in advance and then it goes over to the AGO (Melanie or Betty) who reviews and then approves. My role really was to make sure that everything is there that should be there and that something wasn't included wrong. I

reviewed to make sure it was accurate and shared this with the Board and then turned it over to the AGO office.

a. Were these prepared monthly and submitted monthly?

No they were not, supposed to be in accordance with the grant period. We were told by the AGO that we can't submit those unless there is a signed contract in place. Often times we'd go months and months without a signed contract. In 2017, it went 8 months before we had a signed contract. Then once it was signed, we would submit a large bunch to put through. This has been an ongoing problem area since 2013. Also, our turnover in the accountant position was part of the delay in these getting completed.

b. How did you identify which expenses to include for reimbursement?

Everything was pretty cut and dry. Basically there were the same expenses monthly. For example the lease, Brad Tower, the basic ones phone, internet and others. I would talk to the AGO about should I include this one in this month or should it go in a different cycle. For example, the invoices we would receive for the trainings.

c. Who reviewed and approved these?

Yes, I would review and approve those. The Board would then review and approve. Then the grant manager, which was Mike Webb at the AGO would review and approve. Once he approved them, they would go to Melanie or Betty in finance for processing. So there were multiple points of review.

d. Who submitted them to the AGO? It was me.

e. Did you ever reconcile what you submitted for approval agreed to what was disbursed to the bank from the AGO? That would have been something Betty at the AGO would send a correction back to us. The accountant would get that and enter that all in to the system.

f. Did you ever include invoices for reimbursement when the expense had not actually been incurred yet by the WCCVA? Yes, multiple times. There are so many examples. For example, a regularly reoccurring one like a training because of all the items that you'd have to pay in advance. We have to pay a deposit to rent a room. Trainers when developing curriculum, often times would have to pay in advance, but that was always approved in advance by the AGO. This wasn't something we just did, this was something that they would be involved with approval before so they knew what we were doing. Another one such as the website. This was towards the end of the grant year and we had a large amount of money and we wanted some website work to be done. So we asked the AGO if we could do that and use that money at the end of the grant year, but we hadn't received the work yet. Melanie and somebody else in the AGO finance approved that. So we had not paid for that yet, or received the services for it yet, but we did get reimbursed for it. Because the AGO approved it, we thought it was ok because the AGO had the flexibility to make that decision about providing advanced funds. We did not realize there was a problem with that until all of this came about.

The AGO had approved the advanced training and curriculum and materials with the full understanding that this was something that hadn't been received yet. So we did get reimbursed for this before that money was expended. This is the one that ended up being cancelled and that money was not sent back to the AGO. The AGO was told the training had been canceled and did not mention the need to send the money back. We didn't think about it and the money sat in our account. It was when the auditor started doing our audit, she saw that and said this needs to go back. So this obviously was an issue for us and we thought it was all ok because Mike Webb approved and Melanie approved. The only one who ever said we could not do that was Betty. This also happened with the 2017 training as well. There are just too many examples to list, because I would say most things are paid in advance but again with everyone's full knowledge and approval. This is why we are now frustrated on our end.

**Follow up question: Do you have any emails from the AGO of the pre-approvals?**  
I had printed these off and provided them to the AGO. It would be in the office, I could ask Greg to check. Also Rebecca the former grant manager at the AGO would have them since she was very much involved with the grant before she left. I should also say Rebecca also said that she was not aware that you couldn't pay for something in advance. And she worked at the AGO managing grants.

**Follow up question: What controls in place to catch invoices that were not actually paid?**

This was never actually discussed by us or a conversation we had with the AGO. This was not at the forefront of my thought process. For example, there was an organization that we wanted continuous access to their trainings and we wrote a check, but the organization did not cash our check. When I figured this out, I notified Melanie at the AGO's who explained that we needed to issue a refund check to the AGO since the invoice had already been submitted in a reimbursement packet and reimbursed by the AGO. So it was a simple process, the accountant cut a check and we sent it back to the AGO. *(Auditor note: Cody is referring to the June 2017 NOVA invoices)*

**13. Please describe what financial information was provided to the WCCVA Board.**

The information comes from the accountant/bookkeeper. They prepare the monthly financials, payroll report, and voucher reimbursement packet with all the invoices. The Board mostly focuses on the budget and the monthly financial information. I think Greg goes through all the information. The Board doesn't get copies of the bank statements, but they have access to check it online.

**14. What services were provided by Tower Limited and Phillip Burgess?**

There is no Phillip. Brad Tower was hired to fill the public policy position. In 2015, he became a contracted position and we worked very closely with the AGO grant manager Mike Webb to get this approved. Mike Webb at the AGO would talk with Brad Tower and ask where we were at with things on the hill. He was a campaign manager at the time and was working on a big thing with the death penalty legislation.

Specific Questions:

15. The 2015-2017 financial statement audits conducted by the CPA firm issued findings over financial reporting, grant compliance, and inventory tracking. Can you tell us who prepared the response that was included in the published reports?

I haven't seen the end results and I don't know what was given to the final reports. It would be Greg and the Board who response. I worked with the auditor to provide all the information. I helped go through everything with the first one but not the other. As far as the response, I did not see that.

16. We noticed there was significant delay in the A19 vouchers being submitted by the WCCVA to the AGO for reimbursement. For example the November 2016 reimbursement packet was not received by the AGO until June 1, 2017. This was signed by you on May 25, 2017.

I don't remember at this point. Unless there was a transition between accountants. We had several times where there were long delays. For example, 2017 I do not think there was anything submitted until January or February 2018. The bookkeepers put that together when we had one.

17. When we compared WCCVA bank account expenditures to Invoices submitted to the AGO for reimbursement, we found invoice expenses that were included for expenses not incurred by WCCVA or services that were not actually performed. Why were these submitted to the AGO?

a. June 2016

- i. 4 Imprint 6/30/16 \$33,827.88
- ii. 4 Imprint 7/7/16 \$25,548.08
- iii. Flashbay 6/30/16 \$4,418

I think these were ones from the audit. I was out of town in Michigan for a family emergency. At this time, we had all that turnover and we didn't have anyone new in the office. Levi was accepting the orders when they were received and we thought everything came in. He put everything up and rearranged the supply room. When we went for the training, they weren't there. I noticed the materials were not there in April or May 2018. I did not catch that at the time, the auditor found the payments had not been processed, so I contacted the AGO when the audit found this and payment should have gone back.

Follow up question: These are from June of 2016 but you don't find they are missing until 2018?

Right, because those are for the trainings that they canceled.

Follow up question: Why order materials two years before you actually give the training?

Because we were going to have the training but then it was canceled or postponed so we didn't need the materials then. And we had other materials as well so that was part of it as well. We also didn't have a Director of Training at the time because the contract wasn't signed for over a year so



we didn't have those things covered. It was just me covering most things and I didn't realize we didn't have the new ones that we needed.

b. June 2015 (Paid by AG 8/18/15)

- i. Contra Costa consulting \$39,600
- ii. 4 Imprint 6/30/15 \$11,715.77

This was for an advanced training. This one we worked with the AGO's office on and they approved the funding in advance. The contractor changed their mind and wanted more money. It was an advance training. This all blew up. I worked with Mike Webb and agreed we would move forward. I did not tell the accountant to issue a return check back and Mike did not ask so it wasn't something on our radar. At the same time, we had change over in the bookkeeping position. We did not pick this up until the audit came about.

The check was cut and ready to go, but the contract wasn't signed. This fell through and we didn't think about it.

c. June 2017

- i. NOVA 6/28/17 \$30,000
- ii. NOVA 6/28/17 \$36,400

This was the one I was mentioning earlier and the online training forum. It was discussed with the AGO. We sent the check to the business. They decided to discontinue the training and they weren't setup to provide those training feeds. So instead of making us pay anything, they voided out what we owed. I called Melanie at the AGO and notified them. The business wouldn't issue a new invoice. The AGO said the business needed to send a new invoice or we needed to cut a check back to the AGO. So that's what we did. So yeah this wasn't anything paid in advance.

Follow up question: 2015, 2016, 2017 trainings slated, but all people cancel on you?

No, this one wasn't a service they were providing to do. The 2016 was a circular development and it was whole massive project and the contractor wanted more money and we didn't have more. The contractor was not providing what they were supposed to so, so we didn't pay them. This was all with Mike Webb's involvement. The contract wasn't signed yet, but the AGO had approved for us to send that money in advance, so we had a certain amount they had approved for us to go and spend on that, but the terms of the contract hadn't been signed. The contractor wanted additional funding and it hadn't been approved and so the whole project blew up. This was something extra from our grant requirements.

18. In June 2016 and May 2017, you received \$12,000 bonus payments. Can you help us understand what this was for?

- a. Who approved these? Is this approval documented?

My salary was setup to be paid monthly, but it was weird. Once annually, I got \$12,000. This was something the AGO was aware. Mike and Melanie said it was a salary adjustment. At some point prior to that, they had called it a bonus. The Board



was aware. Greg would approve this. This was something built into the budget that was approved by all different levels.

19. The WCCVA website in March 2018 include various methods of ways to support the WCCVA (donation, membership fees. Merchandise, etc.) and by August 2018 these were not longer viewable on the website. Can you help us understand the reason for the change?

Yes, I had opened the website to make some changes and had not realized that somehow parts of the website became accessible that aren't used anymore. Once I realized they were there, I logged in to the website to remove the access.

I will have to find the Paypal login info. I think I left this information with the Board before I left.

Thank you for meeting with us today. If you think of something else you want to share with us, please don't hesitate to contact us.