

City of Snoqualmie

Amanda Bossard, Human Resources Manager (subject)

Date: January 12, 2024

Time: 2:00 pm

Interviewers: Angelique Thompson (Special Investigations Program Manager) and Sandeep Kaur (Fraud Specialist)

Place: Virtual – Microsoft Teams meeting

Introductory information and questions:

Thank you for meeting with us today. My name is Angelique Thompson, and this is Sandeep Kaur. I will be asking some questions and Sandeep will be 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. We are performing a special audit at the City of Snoqualmie during the period you were employed there, and we have a few questions about City processes and specific transactions which we believe you had involvement in.

I want to make sure you are aware of the following:

- You are not required to discuss any information related to this audit with us, however, we consider your input valuable, and it will assist us in making recommendations to the City.
- 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 I have explained to you?
- Are you willing to proceed?

The subject stated she was willing to proceed, however, she was wondering if it would be okay to not respond to any topics/questions which she felt should be discussed with legal counsel. We told the subject the entire interview was voluntary, so she was not required to respond to any questions, however we appreciated her cooperation.

Background questions

1. How long did you work for the City of Snoqualmie?

The subject stated she had started at the City around May 2020 and was terminated October 31, 2021.

2. What was your position/job title? Did you hold any other positions with the city?

The subject responded they were initially hired as a HR Senior Analyst which included general HR duties under the (now former) HR Manager Debra. When Debra retired approximately a year later, she (subject) was promoted to HR Manager. The HR Manager position was the last position she held while working with the City, and no other positions other than the ones described were held during her time there.

3. Can you please briefly explain to us what your primary responsibilities were in the city?

The subject explained she was onboarded during Covid, so she did not have a lot of time in the office, but she assisted with general HR operations. The City was planning on eliminating one of the HR positions, so the subject was hired to be Debra's right hand and eventually take over for her upon retirement. However, because of limited time in the office the subject explained she only physically worked with Debra maybe three times during the year she worked under her. Once Debra retired, she was promoted, however there was no significant change to the job duties. The subject further stated she felt like she knew how to do the job by the time she was promoted.

After the subject's initial response we requested she provide an example of some of her primary responsibilities while in these positions.

The subject provided the following examples:

- Responding to employee inquiries
- Onboarding employees
- Answering management's questions
- Positing job positions
- General HR duties for my key stakeholders

4. What was the expectation for your work schedule? Did that include working from home?

The subject had noted that due to COVID there was limited time in the office, especially when she was first hired.

We commented that it was our understanding that part of the reason there was a separation between the subject and the City was related to COVID and COVID requirements.

The subject elaborated and said it didn't work out with the City because the Mayor instituted a mandatory vaccine policy. As part of her job in HR she was tasked with coordinating this policy, which included a time window for employees to submit proof of their required vaccinations in order to comply with policy. The subject stated many employees were not comfortable, and she felt the handling of how the vaccination exemptions were handled were unprofessional. The subject discussed her concerns with the City's approach to the vaccine policy in greater detail and attributed the situation to a poor relationship with her supervisor.

The subject further stated that this came to a head when her supervisor received vaccination records from a hospital without her or other employee's consent, prior to the vaccine deadline date implemented by the City.

The subject brought up another situation where she had made a personal charge related to her cell phone on the City's card, which she said was a mistake. This was identified by a City accountant. The subject knew she owed the City money for the charge and was instructed by the Accounting Manager to leave the funds (cash) in an unsecured, but hidden location (overhead storage bin) at the City. While the City did receive the money the subject stated she was penalized for this by the City, straining their working relationship further.

The subject continued on this topic and stated she did not have a personnel file at the City as record keeping was generally very poor. To the best of her memory she recalls several personnel files being missing at the point she was initially onboarded.

The subject ended their response by stating they were eventually put on administrative leave and notified via letter, through email, about their termination. She then had a deputy come to her door to collect her stuff even though she was told the City she would come in and return everything.

Benefit specific process questions

- Our audit specifically covers activity related to employee benefits – specifically HAS/FSAs administered through Navia. Can you walk us through your job responsibilities specific to these activities?

When asked this question the subject stated she was willing to respond regarding the City's policy and general benefit process. She further clarified that this was several years ago so this was to the best of her memory.

The subject stated that City employees were issued Navia debit cards and Navia user accounts.

- What was the process an employee had to go through to submit a claim for reimbursement related to their Navia benefits?

The Navia system was set up for claims to be self-service, however it was common that employees would have questions on how to fill out the claims form and submit them for reimbursement.

We asked if employees ever provided claim forms to her instead of Navia.

The subject responded yes; employees would sometimes bring her forms instead of sending them to Navia.

- How were employees reimbursed and what kind of documentation was needed to submit a claim for reimbursement?

Subject stated there was a series of questions the employee's would fill out on the Navia claim form, and they would include supporting documentation such as medical receipts. The subject stated they believe employees could receive reimbursement through various methods, direct deposit being one of them.

- Who reviewed the submitted claims?

Subject stated Navia was the administrator and reviewed the claims and there was no formal review at the City level. She speculated that someone in accounting probably saw the figures as the benefits were provided at the City's expense, but she was unaware of how much detailed support the City would have for the claims. She also stated she was not aware if these documents would have been filed anywhere as there was no formal training or review process over the benefits.

The subject also stated that while there was not formal training provided to her, she was aware that it was part of "HR's" duties was to make sure Navia was correct. When asked to elaborate she stated that represented employees had different contract terms because they were union, and sometimes Navia would need to be updated as the benefit information may be incorrect or outdated. When we asked if employees could make these updates on their own the subject stated she did not think that was possible in the self service portal, but if the employee noticed an error they would notify her and she would work with/follow up with Navia.

9. Who at the City had "administrator" access to the Navia software?

The subject stated they were not sure "**who else**" in HR had administrator access to the Navia system. The stated Debra would have needed to have had access and whoever helped her before their arrival. Also, there was an employee, Debra was retiring and the department hired part time HR assistant Kim Johnson. At the time of my departure, she was working in HR and she may have had access.

10. What happened to employee HAS/FSA accounts when they left the City through retirement or to go to another job? What was your involvement with this process?

Subject responded she could not recall the details, but she believed the employee's account would be closed.

We asked for clarification on if there was any post-resignation pay out.

The subject stated she did not believe so as the funds were paid from the City and the employee was not entitled to any sort of balance from the account.

11. It is our understanding Navia has different maximum benefit amounts for individual employees and employees who are claiming dependents. What was the process for employee's changing status?

The subject stated it was complex – and depended on the type of qualifying event that had occurred with the employee. For instance, if someone wants to add their husband the City would not ask for marriage certificate, but instead direct the employee to work with the City's third-party administrator (subject could not recall exact name) who would handle the validation.

The subject further stated that on FSA side - during COVID there were different kinds of qualifying events than normal.

We further inquired about the subject's involvement with this process.

The subject stated they could advise employees but they were not involved in any review process to verify their status change as it was handled by a third party.

We asked if employees could change their own status in the Navia system.

The subject responded, "No, qualifying event changes are tied to the employee's health insurance. I could make that change." She further stated this could have been an area where mistakes were made as auditing at the City was not up to speed and she had been made aware of other documentation errors.

11. What is the process for changing employee banking information for Navia? What kind of documentation is required? Who reviews and approves these changes?

The subject recalled the City having a direct deposit form that employees would fill out and provide evidence, such as a check from the account they were changing to. She believed the changes should have been documented and retained in employee files, however this was not always the case. She further stated that she recalls two years of employee files were missing, and the City was behind on its filing in general.

The subject further stated she was not aware of any formal process for processing direct deposit changes, but she would use common sense when making these changes. She further stated she believed the City had received phishing emails in the past.

Issue-specific questions

12. In April 2021 it looks like you updated your own benefit eligibility from the \$3,000 maximum for individuals with no claimed dependents, to the \$6,000 maximum for families. What was the reason for this?

The subject stated it was quite a long time ago, and she didn't recall the City's policy on who was considered a dependent. She then stated, she may have made that change but did not recall the specifics so she could not provide any further details.

13. Viewing employee Navia accounts: Navia provided a computer log which documented user access in the HRA software. And based on the log it appears you were viewing and editing benefit eligibility information for certain employees – and also viewing prior year HRA accounts. In this example we can see you viewing the benefits for this employee in both 2019 and 2020, even though you are in 2021. Can you walk us through this?

Subject stated the only reason they could think of was that they were viewing the accounts because of changed legislation brought on by COVID. Specifically she recalled changes to COBRA, when employees resigned or retired they might have had options to extend their benefits. The subject further stated lots of things were relaxed during that time.

We asked the subject if there was any other reason she was viewing prior year Navia accounts.

The subject stated she could not think of anything else but would contact us if she recalled more details.

13. On July 2, 2021 it looks like you submitted an HRA reimbursement claim on behalf of the former City Administrator, Mr. Rudometkin for \$4,916.07, and then a second claim for \$5,233. Do you recall? *(documentation available to show subject)*

The subject stated, “I don’t recall much – I am going to choose to skip this one.”

- ~~Navia logs show your user account entered direct deposit information for these reimbursements on July 8, 2021. Specifically directing the payments to Varo Bank.~~
- ~~Varo Bank responded to a subpoena and provided documents which show Navia disbursements of \$4,916.07 and \$5,233.67 to an account using your name, date of birth, and SSN. 67 on July 20, 2021. We did not talk about these further details as the subject was unwilling to discuss this topic with us.~~

14. There were several other employees that you appeared to have submitted claims for which had disbursements directed to banking accounts linked to your name. Can you give us additional information on this? *(documentation available to show subject)*

The subject was unwilling to respond to this question, and stated they would discuss our inquiries with their legal counsel and potentially provide a supplementary written response. On January 23, 2022 the subject responded (TM B.1.43) and confirmed they “elected not to provide any additional information on the prompts provided during our meeting.”

15. Do you have anything else you would like to share with us?

The subject stated they did not have any additional information to share with us at this time, but would let us know soon if they would provide additional written responses (see above). The subject also stated they would be appreciative if they were kept in the loop regarding the timing our report on these matters.

We briefly described that the matters discussed during this meeting, including the questions the subject chose not to discuss with us, would be included in a special report which would be made public after we finalized our conclusions.