



State Employee Fraud, Waste, and Abuse Hotline Policies and Procedures Manual

It's Your Tax Dollars At Risk!

State Employee Fraud, Waste, and Abuse Hotline(Call 1-800-723-1615)

- State employees are obligated to report instances of fraud, waste, and abuse.
- Report it to management. However, if you are uncomfortable doing so, call the Hotline.
- You will be interviewed by a professional.
- Provide names, dates, times, amounts, circumstances, witnesses, etc.
- Need more information, go to:
WWW.DOA.VIRGINIA.GOV/DSIA/DSIA_Main.cfm

- Your confidential call is:
 - Anonymous
 - Non-Traceable (No caller ID)
 - Toll-Free
- You may also contact the Hotline by:
 - Email: dsia@doa.virginia.gov
 - Fax: (804) 371-0165
 - Mail: FWA Hotline
P.O. Box 1971
Richmond, VA 23218



1-800-723-1615
MONDAY - FRIDAY
8:15 AM—5:00PM

Issued by the
Division of State Internal Audit (DSIA)
January 2012

Foreword

The **State Employee Fraud, Waste, and Abuse Hotline** began operation in October 1992. Since that time State agencies have worked with the DSIA to investigate over 10,000 cases. Until December 2000, there were no policies and procedures promulgated to assist investigators in carrying out their responsibilities. In December 2000 the first policies and procedures manual was published to respond to this need. In 2008, the manual underwent a major revision. Now, in 2012, minor revisions have been made to reflect changes in the current Executive Order and in other information provided.

The purpose of the manual is to assist internal auditors, Hotline coordinators, agency heads, and anyone involved in Hotline investigations to better meet their responsibilities. It is also intended to foster consistency among agencies in the management and conduct of Hotline investigations.

It is our hope that the manual accomplishes these purposes. We intend this to be a *living* document, that is, subject to change when appropriate. We ask that readers of this manual provide the DSIA with feedback on areas that need coverage and suggestions for improvement. We further ask that readers provide us with effective techniques or approaches that have been used in the conduct of investigations so that they can be shared with others.

Please direct your suggestions and feedback to—

Tim Sadler
Division of State Internal Audit
☎ (804) 225-3106 Ext. 23
✉ tim.sadler@doa.virginia.gov.

Dedication

This policy and procedures manual is dedicated
to the memory of

Sherry Mason

whose efforts in developing the original manual and in administering the hotline program from its inception until her passing stand as a legacy to her work on behalf of the Commonwealth.

Table of Contents

Topic	Page No.
1000-OVERVIEW	
Introduction.....	1
Governor’s Executive Order # 15	3
Hotline Terms and Definitions.....	6
DSIA Responsibilities.....	7
Process for Receiving a Hotline Call	9
Other Information	10
Hotline Poster.....	11
DSIA Hotline Contact.....	12
1001-SECURITY	
Hotline Reports, Work Papers, and Other Documents	1
Requests for Hotline Information	3
Handling Freedom of Information Act (FOIA) Requests.....	5
Hotline Investigative/Complaint Report	6
1002-ACCEPTING CALLS	
Introduction.....	1
Answering the Hotline	2
How to Interview the Caller.....	4
How to Write Up Hotline Calls	13
Calls Requiring Special Handling.....	14
Handling Hotline Allegations Received by Mail, Fax, or Email.....	16
1003-SCREENING	
Background.....	1
Level 1 Call Screening.....	2
Illustration of Level 1 Screening Sheet.....	4
Level 2 Call Screening.....	6
Illustration of Level 2 Screening Sheet.....	10
1004-CASE ASSIGNMENT	
Background.....	1
Methodology Used to Assign Cases for Investigation.....	1
Cases Assigned to Agency Internal Audit Directors	4
Investigators’ Responsibilities	5
Hotline Investigative/Complaint Report	6
Hotline Transmittal Letters	7
Reporting.....	9

Table of Contents

Topic	Page No.
1005-“CALL-BACK” HOTLINE CALLS	
Introduction.....	1
Hotline After-Hours Telephone Recording	3
How a “Call back” Hotline Call Is Answered	4
DSIA Procedure for Responding to Caller’s Questions	5
1006-INVESTIGATIONS	
Overview/Background	1
Security over Hotline Investigations.....	2
Assignment of Hotline Case Investigations.....	5
Target of the Allegation.....	7
Structure of a Hotline Investigation.....	8
Gathering Evidence.....	12
Examples of Types of Evidence	13
Additional Information about Gathering Testimonial and Documentary Evidence.....	14
How to Plan an Interview	15
Hotline Interview Techniques.....	21
Reaching a Conclusion Based on the Evidence.....	23
Guide to State Policies, Laws, and Regulations	25
1007-REPORTING	
Guidelines	1
Documentation and Confidentiality.....	6
Confidentiality Stamp Use.....	6
DSIA Contact.....	6

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Overview of the Hotline Program

Introduction

History	In 1990, the Commission of Efficiency in State Government recommended the establishment of a Commonwealth Fraud and Abuse Hotline. The 1992 General Assembly introduced a House Bill to establish a statewide, toll-free hotline for state employees to report instances of fraud, waste, or abuse in state government. This bill did not pass. However, the Governor decided to implement the hotline by issuing an Executive Order to authorize the hotline under administrative law under the Governor's authority.
DSIA's Role	The Executive Branch directed the Department of the State Internal Auditor, which became a division of the Department of Accounts (Division of State Internal Audit or DSIA) in 2002, to administer the Hotline program. The DSIA carries out this responsibility with the assistance of the statewide network of agency and institutional internal audit departments (programs).
Implementation of the Hotline	The DSIA implemented the Hotline on October 1, 1992, using a non-traceable, toll-free number (1-800-723-1615) to protect the confidentiality of the caller.
Objectives	The major objectives of the hotline are to provide state employees with a confidential vehicle to report suspected occurrences of fraud, waste, and abuse in state agencies and institutions, to investigate such occurrences to determine their validity and, if valid, to make appropriate recommendations to eliminate these occurrences.
Structure	The State Employee Fraud, Waste, and Abuse Hotline is completely anonymous. Under no circumstances should anyone attempt to identify any person who may call the Hotline. If the caller should somehow be identified or even suspected, there shall be no retribution or adverse action taken against that person.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Who are our Customers?

Individuals within the Executive Branch of state government who are aware of situations where fraud, waste, or abuse are occurring are expected to report these instances. One way of doing this is to anonymously call the hotline to report the allegation without fear of retaliation.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Authority

COMMONWEALTH OF VIRGINIA

OFFICE OF THE GOVERNOR Executive Order 15 (2010)

State Employee Fraud, Waste, and Abuse Hotline

Importance of the Initiative

Efficiency and economy in government and wise stewardship of taxpayer dollars demands constant vigilance to prevent fraud, waste, and abuse in the operation of state government. The State Employee Fraud, Waste and Abuse Hotline has been an invaluable tool for helping ensure economy and efficiency. It is incumbent on the leadership of state government to make the best possible use of this tool for ensuring integrity in government and wise use of taxpayer money.

By virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Chapter 1 of Title 2.2 of the *Code of Virginia*, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby direct the State Internal Auditor to continue the anonymous State Employee Fraud, Waste, and Abuse Hotline (hereinafter known as the "Hotline") to encourage state employees to report situations where fraud, waste, or abuse may be occurring in Virginia's Executive Branch agencies and institutions, including institutions of higher education.

State employees should continue to have the opportunity to report possible instances of fraud, waste, or abuse anonymously and without fear of retribution by using the Hotline. The State Internal Auditor shall be responsible for administering the Hotline. Through the Hotline, the State Internal Auditor shall:

- Provide assistance to Executive Branch agency heads in fulfilling their responsibilities for maintaining appropriate internal controls to protect against fraud, waste, and abuse.
- Make available to state employees a variety of means to report fraud, waste, and abuse in the Commonwealth's government business, one of which will be an anonymous toll-free telephone number, and also including, but not limited to, any other communications through the Governor's office, Cabinet Secretaries, agency heads, U.S. Mail, e-mail, fax, and the Internet.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

- Make appropriate efforts to publicize the availability of the hotline and ways of accessing it. The Auditor shall e-mail all State employees at least annually to advise them of the Hotline and other means of reporting such problems.
- Implement a process for handling allegations of fraud, waste, and abuse received via the Hotline.
- Deliver ongoing training to state agency heads and managers on prevention of waste, fraud, and abuse.
- Ensure that instances of potential criminal conduct are referred forthwith to the appropriate law enforcement agency.

The State Internal Auditor, through the Executive Branch's network of internal auditing programs and agency fraud, waste, and abuse coordinators, shall ensure that investigation and resolution activities are undertaken in response to allegations received through the Hotline. The State Internal Auditor may allow an internal auditing program at an executive branch agency to contract with a private firm in order to perform the investigations in a timely manner. Any such private firm shall comply with the applicable policies and procedures and the work must be supervised and approved by the contracting internal auditing program.

The State Internal Auditor shall undertake investigation and resolution activities in the most cost-effective manner possible. Responsibility for investigation or resolution activities shall be assigned to other investigative staffs when appropriate to avoid unnecessary duplication. Executive Branch agencies responsible for promulgating central administrative (e.g., personnel) policies will provide input on the interpretation of the policies applicable to investigations in order to ensure consistent and proper application of those policies so that appropriate conclusions are reached and recommendations made.

The State Internal Auditor shall review the reported corrective actions taken to rectify an actual fraud, waste, or abuse identified. If corrective actions are deemed insufficient, then the State Internal Auditor will conduct such follow-up as may be necessary to ensure that acceptable corrective actions are developed.

The State Internal Auditor shall conduct follow-up reviews to ensure that corrective action has been implemented. The results of such reviews shall be reported to the Governor's Chief of Staff and to the relevant cabinet secretary.

All executive branch agencies of the Commonwealth shall cooperate with, and assist, the State Internal Auditor and all investigators to the fullest extent. During the course of a Hotline investigation, investigators will have access to electronic and paper files, records, and documents, as well as personnel, facilities, property, and any other things necessary to conduct an investigation. This includes access to electronic and paper files maintained by the Virginia Information Technologies Agency (VITA) for other Executive Branch agencies as well as access to administrative investigative reports generated by an agency's in-house investigative unit that are germane to the hotline investigations.

Under no circumstances shall anyone directly or indirectly interfere with a Hotline investigation, or induce or coerce others not to cooperate with investigators. Any attempt to directly or indirectly interfere with a Hotline investigation is also prohibited and is subject to appropriate

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

disciplinary action under the Standards of Conduct promulgated by the Department of Human Resource Management.

Under no circumstances shall anyone, directly or indirectly, attempt to identify or retaliate against someone suspected of calling or cooperating with the Hotline. This includes threatening to effect any reprisal; or taking, or directing others to take, or recommending, processing, or approving, any personnel action, or any other retaliatory actions, or attempts to do the same. Any such actions will be subject to appropriate disciplinary actions under the Standards of Conduct.

The Governor's Chief of Staff shall be responsible for addressing any instances of alleged interference with an investigation or retaliation against employees using the Hotline.

This Executive Order rescinds Executive Order Number Twelve (2006), State Employee Fraud, Waste, and Abuse Hotline, issued by Governor Timothy M. Kaine.

Effective Date of the Executive Order

This Executive Order shall be effective upon its signing and shall remain in full force and effect unless sooner amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 29th day of June 2010.

/s/ Robert F. McDonnell, Governor

Attest:

/s/ Secretary of the Commonwealth

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Hotline Terms and Definitions

Fraud Definition The intentional deception perpetrated by an individual or individuals, or an organization or organizations, either internal or external to state government, which could result in a tangible or intangible benefit to themselves, others, or the Commonwealth or could cause detriment to others or the Commonwealth. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

Fraud Example Falsifying financial records to cover up the theft of money or state property is an example of fraud.

Waste Definition The intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of Commonwealth resources to the detriment or potential detriment of the Commonwealth. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.

Waste Example The unnecessary spending of state funds to purchase items that have no business purpose is an example of waste.

Abuse Definition Excessive or improper use of a thing, or to employ something in a manner contrary to the natural or legal rules for its use. Intentional destruction, diversion, manipulation, misapplication, mistreatment, or misuse of Commonwealth resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial settings.

Abuse Example The use of a state vehicle for non-state business and failure to complete a leaves slip when absent from work are examples of abuse occurring in a non-financial setting.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

DSIA Responsibilities

Policy

Hotline cases are assigned by the DSIA to the respective agency Internal Audit Director if the agency has an internal audit program.

Heads of agencies that do not have an internal audit program have designated a high-level individual (called a Hotline Coordinator) within the agency to coordinate the DSIA’s investigation and resolution of complaints directed at the respective agency.

The DSIA investigates hotline cases under certain circumstances as outlined in the section below titled “What Does the DSIA Investigate?”

Authority

Under the Executive Order, Agency Internal Audit Directors and Agency Hotline Coordinators are responsible to the DSIA for the conduct of Hotline investigations, and may not be restricted, limited, or interfered with in the conduct of investigations.

DSIA

- Determines the authenticity of allegations.
 - Ensures that appropriate recommendations are made to rectify any situations where fraud, waste, or abuse have been identified.
 - Ensures that timely investigative and resolution activities are undertaken in response to allegations received through the hotline.
 - Works with agency internal audit programs to investigate and resolve reported allegations in the most cost efficient manner.
 - Reviews investigative work to determine that it is of an acceptable level of quality and appropriateness and to provide suggestions for improvement in future investigations.
 - Provides training to investigators upon request.
-

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

What Does the DSIA Investigate?

The DSIA conducts all investigations involving alleged improprieties committed by agency heads, other appointed officials, and internal auditors. In situations where an agency has only a Hotline Coordinator, the DSIA may assist the Hotline Coordinator or conduct the investigation itself.

The DSIA conducts all hotline investigations involving agencies that do not have an internal audit program or an Agency Hotline Coordinator.

The DSIA may participate in the agency’s hotline investigation if warranted by the nature of the allegation, or if the agency head or Internal Audit Director requests the DSIA’s participation.

The DSIA may conduct any investigation it deems necessary.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Process for Receiving a Hotline Call

Step	Description
1	The DSIA receives hotline telephone calls through a non-traceable, toll-free line.
2	All callers are told not to disclose their identity.
3	A DSIA investigator records the facts about the allegations and attempts to solicit sufficient information to facilitate an effective investigation.
4	The DSIA investigator provides a case number to each caller to provide the caller with a means to contact the investigator when it is necessary to clarify or obtain additional information regarding the allegations.
5	The DSIA investigator refers callers with complaints pertaining to subject matter outside of the Executive Branch of State government to the appropriate investigative authority.
6	The DSIA investigator records all cases by date, time, agency, and case number for control purposes.
7	An Investigative Complaint Report is mailed or sent via encrypted e-mail to the respective agency Internal Audit Director or Hotline Coordinator within 2 business days of being received by the DSIA.
8	There is a 60-day reporting requirement.
9	An investigation is undertaken to determine the authenticity of the allegations. If the alleged fraud, waste or abuse is substantiated, then appropriate corrective action must be taken by the agency/institution head to rectify the situation. If there is a reasonable possibility of a fraud, the fraud should be referred to both the Auditor of Public Accounts and the Department of State Police in accordance with §30-138 of the <i>Code of Virginia</i> .

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

Other Information

Calls Not Involving Fraud, Waste, Or Abuse

Hotline callers with issues involving retaliation for calling the hotline are referred to the Chief of Staff in the Governor’s Office. Hotline callers with issues involving employee grievances or discrimination complaints are referred to the Department of Employee Dispute Resolution or the Office of Equal Employment Services of the Department of Human Resource Management. Additional examples of complaints not within the purview of the DSIA where the caller is directed to other entities include, but are not limited to, allegations against Legislative or Judicial Branch employees (except as provided through informal agreements), employees of localities, and private citizens or entities.

Subject Cross References

Executive Order Fifteen (2010)

Code of Virginia, §30-138, State agencies, courts, and local constitutional officers to report certain fraudulent transactions to the Superintendent of State Police and the Auditor of Public Accounts.

Code of Virginia, § 2.2-3705.3, Virginia Freedom of Information Act; exemptions.

Code of Virginia, §2.2-1600, The Department of the State Internal Auditor.

Advertising

State employees are informed of the hotline through announcements in the state personnel newsletter; hotline posters on employee bulletin boards, newspaper articles, and periodic messages on Payline or employee payroll check stubs, and other marketing efforts.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

The hotline poster is displayed at all state agencies.

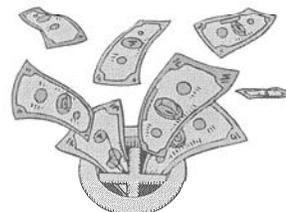


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DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1000
Topic: State Employee Hotline – Overview	Date: January 2012

**DSIA Hotline
Contact**

Tim Sadler, Audit Manager
 (804) 225-3106, Ext. 23 or
 tim.sadler@doa.virginia.gov or
 DSIA@doa.virginia.gov

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

Security

Hotline Reports, Work Papers, and Other Documents

Policy

- Confidentiality shall be maintained over hotline documents at all times.
 - Hotline cases should not be discussed with anyone, except for the Hotline Coordinator and the State Internal Auditor or others on a need-to-know basis who are involved in the investigation.
 - No copies are to be made of any hotline documents.
 - Hotline case write-up sheets shall not be shown to others, except for individuals who are responsible for conducting the hotline investigation.
 - All hotline documents, notes, etc. should be secured at all times.
 - Case numbers will not be shared with anyone except investigators.
 - Only the State Internal Auditor is authorized to distribute or release hotline reports.
 - Confidentiality over the interview process is addressed within Topic No. 1006, Investigations, “How to Plan an Interview.”
-

Security over Documents

All Hotline documents are to be secured in a safe place at all times.

Confidentiality

- All documents, work papers, notes, and reports dealing with the investigation shall be marked **Confidential State Employee Hotline Documents**.
 - Investigations, interviews, and information relating to investigations should not be shared, discussed, or given to anyone without an absolute need to know.
 - Strict confidentiality must be maintained over the entire hotline investigation.
-

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

**Written
Communication
With the DSIA**

Written communications with this Division about Hotline cases are to be sent primarily through the U.S. mail or delivered in person. This is to ensure that if any tampering occurs, the violator can be prosecuted to the maximum extent under the law. All envelopes concerning the hotline should be marked "Confidential" when sent to the DSIA. Interagency mail should never be used. Email and fax communications are permitted under certain circumstances after discussion with the DSIA.

**Custodian of
Hotline
Documents**

State Internal Audit Directors and the DSIA shall maintain all information supporting investigations performed by them in a secure location. All such information, documentation, etc. are the property of the DSIA and shall be so identified. The DSIA may request that supporting information accompany formal reports.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

Requests for Hotline Information

Calls Asking About Cases

The following process is followed by the DSIA in responding to telephone calls requesting information on hotline cases.

Step	Description
1	Telephone call is answered by a DSIA investigator.
2	The caller asks the DSIA investigator about a hotline case.
3	The DSIA investigator asks the caller to provide some information about the case for identification purposes. This should be information that would only be known to the complainant, such as the subject, the date of the call, etc.
4	If the DSIA investigator is certain that the caller knows sufficient information about the case, then the caller is advised only of the status of the case, either <i>completed</i> or <i>in process</i> .
5	No further information can be provided by telephone.
6	If the requestor desires further information on a closed case, they will be told how to make a request to the DSIA for the case information under the Freedom of Information Act.
7	If the caller continues to ask about the case, refer them to the DSIA Hotline Coordinator or to the State Internal Auditor.

Requests For Hotline Information

Only the DSIA provides requestors information about hotline cases. All such requests should be referred to the DSIA and should not be processed by other agencies.

The DSIA shall respond to such requests as permissible under the Code of Virginia, § 2.2-3700 which pertains to the Freedom of Information Act (FOIA). All requests for information about hotline cases will be processed in compliance with the FOIA, which requires a written response within five business days.

What Is Provided To the FOIA Requestor?

Under the *Code of Virginia* § 2.2-3700 and 2.2-3705.3, this Division is required to disclose the following information under FOIA requests for information on completed cases:

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

If ...	Then DSIA must disclose...	Therefore the report to DSIA must include:
Allegation Substantiated (<i>Corrective Action taken</i>)	<ul style="list-style-type: none"> • Name of agency • Identity of the person(s) who is/are the subject(s) of the complaint • Nature of complaint • Corrective actions taken 	<ul style="list-style-type: none"> • All relevant information in hotline responses. Refer to reporting section • Any litigation or other legal actions planned, or taken, involving a case, such as grievances, etc.
Allegation Unsubstantiated or Allegation Unsubstantiated but Recommendations Made (<i>No corrective action taken against the subject</i>)	<ul style="list-style-type: none"> • If no corrective action is taken, the identity of the person who is the subject of the complaint may be released only with the subject's consent. 	<ul style="list-style-type: none"> • Name, address, and telephone number of the target of the complaint for cases where no corrective action was taken.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

Handling Freedom of Information Act (FOIA) Requests

How Does the DSIA Handle FOIA Requests?

The DSIA handles FOIA requests received by phone, mail, fax, or email using the following steps.

Step	Responsible Party	Actions Taken
1	DSIA Hotline Coordinator	Receives the FOIA request by phone. Informs the caller whether or not the case is closed. Informs the caller that: <ul style="list-style-type: none"> The request requires the name of an individual and a Virginia address of the individual to whom the FOIA response will be sent. If the caller provides the information, write it down and skip to Step 3. The request may be made verbally by phone or in writing via the U.S. mail, by fax, or by email.
2	DSIA Hotline Coordinator	Receives the FOIA request by U.S. mail, fax, or email
3	DSIA Hotline Coordinator	Reviews and redacts the case report based on whether or not the allegation was substantiated. The subject's name is redacted in cases where the allegations were not substantiated. Witnesses' names are also redacted.
4	DSIA Hotline Coordinator	Prepares and mails, e-mails, or faxes the FOIA response within 5 business days. FOIA requests and responses are retained for three years as required by the Library of Virginia's Record Retention Policy.

Agency Responsibilities

- Agencies should not provide any information to requestors concerning hotline calls and investigations under any circumstances. Doing so could seriously jeopardize the integrity of the Hotline and the investigative techniques used.
- If an agency should receive a request for information regarding a Hotline investigation, either through the Freedom of Information Act or other means, the requestor should be referred to the DSIA.
- However, Hotline reports and supporting work papers may be shared with the Auditor of Public Accounts (APA) upon its request.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

Hotline Investigative/Complaint Report

Introduction A DSIA investigator records hotline calls on an Investigative/Complaint Report, also informally referred to as a “Case Write-up Sheet.”

Step	Description
1	Each DSIA Investigator is assigned a sequential list of 100 case numbers to use when completing the <i>Investigative/Complaint Reports</i> (yellow case-write up sheets).
2	A DSIA investigator answers a hotline call and interviews the caller, listening to his/her allegation.
3	A DSIA investigator records the allegation and supporting information on the <i>Hotline Investigative/Complaint Report</i> .
4	The Hotline Coordinator screens each case by reviewing the case and determining whether it should be assigned for investigation or screened out and provided to the agency Internal Audit Director or Hotline Coordinator for informational purposes. The State Internal Auditor also reviews the screened-out cases and, on rare occasions, reassigns a screened out case to be investigated.
5	The DSIA sends the <i>Hotline Investigative/Complaint Report</i> to the applicable agency Internal Audit Director or agency hotline coordinator for investigation via the U.S. mail system or via encrypted e-mail.
6	The Agency Internal Audit Director or agency hotline coordinator conducts the investigation of the allegation(s) based on the <i>Hotline Investigative/Complaint Report</i> .

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1001
Topic: State Employee Hotline – Security	Date: January 2012

Concern

Do not provide a copy of the *Hotline Investigative/Complaint Report* (the hotline case write-up sheet) to the target of the investigation.

The DSIA believes the information contained on the *Hotline Investigative/Complaint Report* may compromise the caller’s identity because:

- The DSIA investigators prepare the *Hotline Investigative/Complaint Report* verbatim from the caller’s description of the situation.
- Confidential information is contained in the *Hotline Investigative/Complaint Report*, such as individuals who witnessed the alleged fraud, waste, or abuse.
- Other information such as the time and date of the call can provide clues to the caller’s identity.

Confidentiality

The DSIA takes precautions to ensure that the identity of State employees who report alleged fraud, waste, or abuse to the hotline is totally anonymous.

The *Hotline Investigative/Complaint Reports* are handled by the DSIA under the strictest level of confidentiality and are marked as “Confidential State Employee Hotline Documents.” The agency internal audit programs must provide the same level of confidentiality over hotline documents in order to maintain the integrity of the hotline program.

Reminders from the DSIA

State Internal Audit Directors and others involved in hotline investigations should not share the *Investigative/Complaint Report* with anyone except those individuals who are directly involved in conducting the investigation. Those provided this information must also understand the confidentiality requirements.

If it is deemed necessary for investigative purposes to disclose the nature of the allegation(s) to the target, the disclosure should be done by providing the target with a summary of the allegation(s). However, be careful not to provide the target with any information that would compromise the caller’s or any witness’s identity.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

Accepting Calls

Introduction

Background

The conversation with the caller is the most important part of the hotline process, since this is usually the only opportunity to fully understand and document the caller's concern(s) and gather relevant details.

Hotline Parameters

The DSIA operates the hotline program within the following parameters:

- The Hotline's toll free number is **800-723-1615**.
 - Hours are from 8:15 am to 5:00 pm, Monday through Friday, except on state holidays when the phones are unattended.
 - After-hours, a recorded message announces the hotline hours and advises callers to call back during normal working hours.
 - The after-hours message is used to announce case numbers for which additional information is needed and to ask the callers to call back.
 - The DSIA Hotline Coordinator answers the hotline and forwards the calls to DSIA investigators who interview the callers about their allegations.
 - The Hotline does not offer callers the option of leaving a recorded message since there would be no mechanism for the DSIA to interview them or to contact them later if further information is needed.
 - Hotline allegations are primarily accepted by telephone. In addition, the DSIA receives complaints through the mail (P.O. Box 1971, Richmond, VA 23218), by fax (804-371-0165), or by email (dsia@doa.virginia.gov).
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DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

Answering the Hotline

How Does The DSIA Answer Hotline Calls?

The DSIA answers and processes a hotline call by following the steps shown below.

Step	Responsible Party	Actions Taken
1	DSIA Hotline Coordinator	Answers call and reads the following script: <i>“You have reached the State Employee Fraud, Waste and Abuse Hotline. You should not disclose your identity. Are you calling back about a case you previously reported? Please hold and I will connect you with an investigator.”</i>
2	Investigator	Listens to the particulars of the allegations and records the following: <ul style="list-style-type: none"> • Time and date • Name of the State Agency • Subject of the allegation.
3	Investigator	While discussing the situation with the caller, the investigator makes a preliminary determination of whether the allegation falls under the hotline’s authority and whether it involves fraud, waste, or abuse of state resources. <ul style="list-style-type: none"> • If yes, go to step 4. • If no, re-direct the caller to the appropriate agency or investigative authority using the Level 1 Call Screening Criteria Sheet.
4	Investigator	<ul style="list-style-type: none"> • Continues to interview the caller, obtaining relevant information about the allegation.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

Step	Responsible Party	Actions Taken
5	Investigator	<p>Is the write-up complete?</p> <ul style="list-style-type: none"> • If yes, go to step 6. • If no, inform the caller that additional relevant information is needed and to call back.
6	Investigator	<p>Assigns the caller a sequential case number. The investigator then states, <i>“Please call the hotline number again, no sooner than three weeks from today after 5 PM. When you hear our after-hours message, please listen to the recording. A listing of case numbers will follow the after-hours hotline message. If you hear your case number you should call back during the day so that we can speak to you about your concern.”</i></p>

**What If Caller
Makes More
Than One
Allegation?**

Issue a case number and prepare an Investigative/ Complaint Report with each allegation listed separately on the report.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

How to Interview the Caller

What Questions Does the DSIA Ask Callers?

Investigators who take calls try to obtain the facts surrounding an allegation. As a rule of thumb they should ask the who, what, when, where, why, and how of the allegation. In addition, investigators should ask:

- How the complainant knows of the situation,
- Whether the allegation has been reported elsewhere or if it has been previously investigated,
- Whether the complainant tried to resolve the matter internally by reporting the situation through the chain of command,
- The names of any witnesses that are aware of the situation who would be willing to speak with investigators,
- Whether the subject's supervisor or others in authority are aware of the allegation,
- The policy that applies, that is, why does the caller think the situation is fraud, waste, or abuse, (Note: Institutions of higher education may have separate policies governing their instructional, administrative, and professional faculty.)
- Whether the caller has documentation that supports the allegation,
- The estimated loss, and
- The frequency of the occurrence.

Below is a list of some frequent allegations made to the hotline and the appropriate interview questions used by the DSIA.

This list does not include all the different types of allegations made to the hotline, only those that are received most frequently.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
<p>Leave Abuse</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> • Takes long lunches or other excessive breaks • Arrives late or leaves early • Fails to turn in leave slips for absences • Not working an 8-hour day. 	<ul style="list-style-type: none"> • Agency, Division, Unit involved? • Name of subject(s) and his/her position (classified employee)? • Subject’s scheduled work hours, lunch break, and other breaks? • Date and time of the occurrence? • Frequency of the occurrence? • Location of the occurrence? • Names of any witnesses? • Is there electronic access to the parking area? • Is there a sign-in or sign-out sheet? • Is there electronic access to the work location? • Is there a time clock? • Do you know where the target went? • Did the target depart in a vehicle? What was the license number and description of the vehicle? • Did anyone else go with them? • Were leave slips turned in? How do you know this? • Is the supervisor aware of this situation? • Was this situation reported to anyone else? • Are there any documents to support this allegation? • Does the agency have written policies and procedures that address this issue? • Does the agency allow alternative work schedules?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
<p>State Vehicle Abuse</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> • Commuting between office and home • Improper or unnecessary use • Personal use 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved? • Name of subject(s) and his/her position? • Subject(s) supervisor? • Location of the occurrence? • Date and time of the occurrence? • Frequency of the occurrence? • License plate number of the vehicle or any other numbers or emblems? • Description of the vehicle (color/make/model)? • Exact location of the vehicle – county, city, route number, street address • If the car was in a parking lot, exact location within the lot. • Description of the driver? • Description and the number of any passengers? • Where was the vehicle driven from and to? Approximate distance? • Names of any witnesses? • Is the supervisor aware of this situation? • Was this situation reported to anyone else? • Are there agency policies and procedures? • Is the individual in travel status or on call?
<p>Misuse or Waste of Funds/Resources</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> • Unnecessary purchases • Excessive spending • Wasteful use of state property or equipment • Malfeasance, such as failure to properly manage departmental budget 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved? • Name of subject(s) and his/her position? • Subject(s) supervisor? • Nature of the fraud/waste/abuse? • Why is it considered wasteful? • Amount and account name/numbers of funds involved? • Description and value of the property? • Location of the funds or property? • Date and time of the occurrence? • Frequency of the occurrence? • Names of any witnesses? • Is the supervisor aware of this situation? • How did you find out this information? • Was this situation previously investigated by anyone else? • Are there any documents or other evidence to support this allegation? • Does the agency have written policies and procedures that address this issue? • Are there any other circumstances that contributed to this situation?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegations are...	Then ask the following questions, as considered necessary
<p>Violations of State Personnel Policy</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> • Unfair hiring • Pre-selection • Unqualified employee <p><i>(If the caller is the aggrieved employee, the caller should be referred to the Dept. of Employment Dispute Resolution (EDR) or the Dept. of Human Resource Management Office of Equal Employment Services (EES))</i></p>	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved? • Is the person a classified employee? • Job title and position number and classification (full time)? • Name of individual hired? • Position’s supervisor? • When did the situation occur? • Names of any witnesses? • Was this situation reported to anyone else? • Are there any documents or other evidence to support this allegation? • Does the agency have written policies and procedures that address this issue? <p><u>Other questions regarding specific allegations:</u></p> <p><i>Unfair hiring</i></p> <ul style="list-style-type: none"> • How was the hiring unfair? • Qualifications that the successful applicant lacks? • Names of other applicants who are better qualified? • Who were the interview panel members? • Who screened the applications? • Who is the hiring authority for the position? • Date job posted/closed or date successful applicant started in the position? • How can we verify this? <p><i>Pre-selection</i></p> <ul style="list-style-type: none"> • Why was the person pre-selected? • Who was the person pre-selected by and was that person on the interview panel? • How did you know this person pre-selected the individual? Does anyone else know this? • How can we verify this? • Is this person qualified for the position? <p><i>Unqualified employee</i></p> <ul style="list-style-type: none"> • Why is the person unqualified? • What duties and responsibilities assigned to this position cannot be performed due to the person’s lack of qualifications and have they been assigned to someone else? • Has there been a documented incident to verify this? • What qualification is the employee lacking?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
<p>State Telephone Abuse</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> • Personal calls on state telephones, including cellular phones • Using state fax machine for personal documents • Charging personal long distance telephone calls to the state. 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved • Name of subject(s) and his/her position • Subject(s) supervisor • What is the telephone number from which the calls are made? • What account name/numbers are the calls being charged to? • Date and time of calls? • Frequency and duration of calls? • How do you know the calls are not state business-related? • Do you know the name of the party called? • Their phone number? • Where is the party located (local vs. long distance call)? • If long distance, do you know the area code? • How do you know the employee is not charging the calls to his/her personal calling card? • Does the agency permit employees to make long distance calls and reimburse the agency for them later? • Does the agency monitor employee phone calls? • (If fax misuse) Where is the fax machine located? • What is the fax number? • What type of documents is the target sending and/or receiving? • Do you have a copy of those documents? If so, please provide. • Name of cellular phone vendor. • Can you provide the names of any witnesses? • Is the supervisor aware of this situation? • Has this situation been reported to anyone? • Are there any documents to support this allegation? • Does the agency have a written telephone policy?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegations are ...	Then ask the following questions, as considered necessary
<p>Procurement Violations</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> • Unnecessary or excessive purchases/construction • Over-priced purchases/construction • Conflict of interest • Non-competitive procurement 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved? • Name of the subject(s) and his/her position? • What goods or services were purchased; the name of the vendor and the agency account name/number charged? • How many times has this occurred? • Where did this happen? • When were the goods/services purchased? • What was the dollar amount of the purchase? • (If goods) Where are the goods currently located? • (If services) Were the services performed? If not, what is the status? • Who authorized the purchase? • Was this within the authorizer’s purchasing authority? • How did this purchase violate procurement laws? • Has the agency paid the vendor for the goods or services? • Why do you consider this purchase to be unnecessary? • Why do you consider this purchase to be excessive? • Can you provide the names of any witnesses? • Is the employee’s supervisor aware of this situation? • How did you find out about this situation? • Was this situation reported to anyone else? • What documents or other evidence can we use to prove that this happened? <p><u><i>Other questions regarding specific allegations:</i></u></p> <p><i>Special treatment and/or the acceptance of bribes, gifts, or kickbacks.</i></p> <ul style="list-style-type: none"> • How was one vendor given special treatment over other vendors? • How was this special treatment able to occur? • Explain why this purchase was a conflict of interest? • Did the employee have a special interest in the transaction? • Did the employee accept a gift, bribe or kickback from a vendor? • What was the nature of the gift, bribe or kickback? • Do you know the value of the gift, bribe or kickback? • Why did the employee act in this manner?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
<ul style="list-style-type: none"> • Conducting Outside Business in a State Office <p style="text-align: center;"><i>and/or</i></p> <ul style="list-style-type: none"> • Using State Resources for Other Than State Business Purposes <p><i>Examples:</i></p> <ul style="list-style-type: none"> • Private/Personal Business – Using state resources in an outside business • Conducting outside business from a state office • Selling products, preparing tax returns, selling real estate 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved? • Name of subject(s) and his/her position? • Date and time the situation occurred? • Does the subject(s) come in early, work late, have approved telework arrangements, or come in on weekends to make up for time spent on personal business? • Where did this occur? • Describe the nature of the outside or personal business that is conducted from the state office? • What is the name of the outside business? • Do you have a business card, brochure, etc? • How much time is involved? • How often does this occur? • How long has this been going on? • How do you know that the subject(s) is not making up the time? • What State resources is the subject using for outside business purposes (Computer, copier, telephone, paper, fax machine, Internet)? • Is the subject receiving and/or making telephone calls? • How do you know the calls are not related to state business? • Is the target conducting outside business during his/her state work hours, during lunch, or after work hours? • Do you have any evidence, such as copies of documents? • Can you provide the names of any witnesses? • Is the target’s supervisor aware of this situation? • How did you find out this information? • Has this situation been reported to others?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
Travel Abuse <i>Examples</i> <ul style="list-style-type: none"> • Inflated reimbursement expenditures • Unnecessary attendance at conference/class • Excessive travel 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved • Name of subject(s) and his/her position • What type of abuse occurred? • When were the dates and times of travel? • Travel destination or location of the occurrence? • What was the purpose of the travel? • Did anyone else travel with this individual? If so, please identify. • Can you provide the names of any witnesses? • Is the target’s supervisor aware of this situation? • How did you find out this information? • Was this situation reported to others? • Is there evidence or other documents to support this allegation? • What account name/number was the travel charged to? • Does the agency have written policies and procedures that address this issue? • What types of expenditures were inflated (mileage, lodging)? • How was this done? • What was the amount of the inflated expenditures? • Was travel by air, auto, state vehicle, etc.? • Why do you consider attendance of the seminar, conference, etc. unnecessary? • What was the cost of the travel? • Who approved attendance at the conference? • What was the frequency of the travel? • Does the individual’s position require travel? • For what purposes does this position require travel?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If the allegation is ...	Then ask the following questions, as considered necessary
<p>Abuse Of State Computers</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> • Unauthorized use of a state computer • Unnecessary or idle computer • Unnecessary software • Misuse of the Internet • Personal use of the e-mail system 	<ul style="list-style-type: none"> • Agency, Division, Unit, etc. involved • Name of subject(s) and his/her position • Date and time of the occurrence? • Frequency of the occurrence? • Does the subject(s) come in early, work late, have approved telework arrangements, or come in on weekends to make up for time spent on personal use? • How do you know that the subject(s) are/are not making up the time? • Can you provide the names of any witnesses? • Is the supervisor aware of this situation? • How did you obtain this information? • Does the Agency have written policies and procedures addressing this issue? • Was this situation reported to others? • Is it a desktop or a laptop computer? • What type of computer is it? (Gateway, Dell, etc.) • Where is the computer located? • Was this done on state time, after hours, or during lunch? • What type of software was used? (Word, WordPerfect, Excel, Internet, etc.) • Describe the documents that were used or prepared. • How much time was spent using or preparing the personal documents? • If personal e-mail: frequency, sent to/received from, if sent outside of the agency, where? • What are the documents about (subject)? Any specific organization? • Do you have a copy of the documents? (If so, please provide them to us) • Is there any other evidence such as documents to support this allegation? • Where are the documents saved? (Hard drive, CD, DVD, diskette, network) • What was the computer supposed to be used for? • What was the cost of the computer? When was the computer purchased? • Who authorized the purchase of the computer? • What Internet sites are accessed? • Does the agency monitor computer usage?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

How to Write Up Hotline Calls

What happens after the call? Once the DSIA investigator ends the call, the following tasks are performed.

Step	Responsible Party	Actions Taken
1	Investigator	<ul style="list-style-type: none"> • Research PMIS, internet, state employee directory, etc. to verify the applicable information in the allegations. • Write up the case on an Investigative/Complaint Report. • Attach interview notes to the Investigative/Complaint Report. • Provide all Hotline documents to the Hotline Coordinator.
2	DSIA Hotline Coordinator	<ul style="list-style-type: none"> • Perform a Level 2 screening of hotline cases. • Determine what level of investigation is warranted, including whether or not the DSIA should conduct the investigation. • Provide all screened out cases to the State Internal Auditor for review and concurrence.
3	Investigator	Prepare hotline letters for distribution to the appropriate Internal Audit Directors. Hotline documents may be e-mailed if done so using encrypted e-mail.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

Calls Requiring Special Handling

Exceptions Special Handling is required for the following types of calls.

If	Then	Process
Allegation involves an internal audit director or staff, state agency head, or other gubernatorial appointee.	Immediately notify the DSIA Hotline Coordinator or State Internal Auditor.	Investigation is assigned to the DSIA. Inform the State Comptroller and provide an explanation as to why the DSIA is conducting the investigation.
Allegation involves a time sensitive issue or some other urgent matter.	Immediately notify the DSIA Hotline Coordinator or State Internal Auditor.	The DSIA Hotline Coordinator will expedite the handling of the case as considered appropriate.
Alleged wrongdoing involves criminal activity or the immediate threat to life or to state property.	Immediately notify the DSIA Hotline Coordinator or State Internal Auditor.	The DSIA Hotline Coordinator will expedite the handling of the case as considered appropriate, including forwarding the allegation to the State Police.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

If	Then	Process
Caller desires to mail information to the hotline.	Provide the following directions: <ul style="list-style-type: none"> • Mail the information via U S mail to: FWA Hotline P. O. Box 1971 Richmond, VA 23218 • Mark the envelope "Confidential." • Write the case number on the documents. • Advise the caller that any documents provided become the property of the Hotline. • Request that the caller follow-up with the hotline investigator to ensure that the documents were received. 	For Hotline mail opened by the DSIA Hotline Coordinator: <ul style="list-style-type: none"> • Date stamp the document(s) • Verify the case number or assign a new case number • Summarize the information in the case write-up • File the original document(s) in the case file and provide a copy to the investigator.
Complaint concerns the manner in which a hotline case was investigated.	Immediately refer the caller to the DSIA Hotline Coordinator or the State Internal Auditor.	The DSIA Hotline Coordinator or the State Internal Auditor resolves this situation as deemed appropriate.
Caller thinks he/she is the victim of retaliation because he/she reported allegations of fraud, waste, or abuse to the hotline.	Immediately refer the caller to the Governor's Chief of Staff.	No further action is required.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1002
Topic: State Employee Hotline – Accepting Calls	Date: January 2012

Handling Hotline Allegations Received by Mail, Fax, or Email

How Does the DSIA Handle Hotline Allegations Received by Mail, Fax, or Email?

The DSIA handles hotline allegations received by mail, fax, or email by performing the following steps:

Step	Responsible Party	Actions Taken
1	DSIA Hotline Coordinator	Receives the hotline allegation by mail, fax, or email.
2	DSIA Hotline Coordinator	Reviews the content of the mail, fax, or email and performs Level 1 and Level 2 screenings.
3	DSIA Hotline Coordinator	Assigns a sequential case number to the allegation.
4	DSIA Hotline Coordinator	Summarizes the allegation on an Investigative/Complaint Report.
5	DSIA Hotline Coordinator	Prepares a hotline letter for distribution to the appropriate Internal Audit Director, provided the allegation is not screened out.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Hotline Call Screening

Background

Policy

The DSIA shall undertake its investigation and resolution activities in the most cost-effective manner available.

Overview

The DSIA developed screening criteria based on information gathered by contacting other states with similar hotline programs and by researching other relevant sources. This screening process helps to:

- Reduce the time and expense of investigating complaints.
- Ensure that a subject outside of the hotline’s authority is not accepted as a case.
- Minimize the amount of time and effort spent on less significant allegations.

Investigative Authority

The DSIA administers the hotline program under the authority of an Executive Order, which only covers Executive Branch State Agencies and Institutions.

Certain other independent and Judicial and Legislative Branch agencies of the State government voluntarily participate in the hotline program.

Call Screening

The DSIA screens hotline calls at two different levels:

1. Level 1 screening is performed by the DSIA investigator while talking to the caller to identify calls outside of the hotline’s authority.
 2. The DSIA Hotline Coordinator performs level 2 screening after the case is taken to ascertain the seriousness of the allegation.
-

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Level 1 Call Screening

What Is Level 1 Screening? The DSIA investigator conducts an interview to identify the nature of the complaint and to determine:

- If the nature of the allegation falls within the hotline program’s authority.
 - If the nature of the allegation involves fraud, waste, or abuse of state resources.
-

Methodology Level 1 Screening uses the following methodology

If the subject of the allegation ...	Then ...
Falls under the Executive Branch of State Government or other voluntarily participating non-executive branch agencies and involves alleged fraud, waste, or abuse of state resources	Accept the case by issuing a case number.
<ul style="list-style-type: none"> • Falls outside of the Executive Branch or other voluntarily participating non-executive branch agency • Does not involve a state agency or institution and/or does not involve state business • Involves a subject unfamiliar to the investigator 	<p>Do not accept the case. Refer the caller to the Auditor of Public Accounts or other appropriate authority.</p> <p>Refer caller to the appropriate authority by referring to the following:</p> <ul style="list-style-type: none"> • Level 1 Screening Sheet (below). • State Agency Telephone Directory. • Consult with the DSIA Hotline Coordinator or the State Internal Auditor. <p><i>If additional time is needed to research this issue, explain this to the caller and ask them to call back later (within a reasonable time period).</i></p>
Involves a criminal matter	<ul style="list-style-type: none"> • Do not accept the case. • Refer caller to their local police or appropriate law enforcement authority.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

When Is A Case Number Issued? The DSIA investigator issues a case number when the caller’s allegation passes the Level I screening.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Illustration of Level 1 Screening Sheet

Non-Hotline Topics	Refer Caller Directly	Phone #
Alcoholic Beverage Control Violations (non-State employee violations)	Dept. of Alcoholic Beverage Control	(866) 437-3155
APA Staff	Record allegation and send case write-up to Roland Turner, APA	(804) 225-3350
Citizen reports a driver in a state vehicle	Department of General Services	367-6526
Citizen reports other issues	Refer to applicable agency	Varies
City/County/Town Employee/ Function (Ex: local police officers, school teacher, etc.)	As applicable: City/County Mgr, Internal Audit, School Board, City/Town Council, Board of Supervisors	Varies
Constitutional Officers (Ex: Commonwealth Attorney, Commissioner of Revenue, Sheriff) & Legislative Branch Employees except the Auditor of Public Accounts	Auditor of Public Accounts	(804) 225-3350
Driver's License or ID card fraud	DMV Hotline	(877) 937-6372
Employee Relations Advice Line (workplace mediation and/or grievance) Includes the following common conflicts: communication difficulties, discrimination, termination, harassment, discipline, management/work styles.	Agency Human Resources Agency Workplace Mediation Coordinator. Dept. of Employment Dispute Resolution	Varies See attached list (888) 232-3842
Federal Tax Fraud	Internal Revenue Service	(800) 829-0433
General Assembly Member	Clerk of the House: G. Paul Nardo Clerk of the Senate: Susan Clark Schaar	(804) 698-1619 (House) (804) 698-7400 (Senate)
Healthcare Providers complaints	Dept. of Health Professions	(800) 533-1560
Health Plans:		
Medical	Anthem Blue Card	(800) 552-2682 (800) 810-2583
Drug	Medco	(800) 355-8279
Dental	Delta Dental	(888) 335-8296
Behavioral Health/EAP	Value Option	(866) 725-0602
Identify a state government license tag to determine agency	Department of General Services	367-6525
Identity Theft	Federal Trade Commission	(877) 438-4357
Inclement Weather Policy Complaints (Hotline accepts calls alleging violation of policy; refer only disagreements with policy) DHRM prefers they write to:	Director, DHRM Employee HR	rue.white@dhrm.virginia.gov
Insurance Fraud (including Worker's Compensation)	Virginia State Police	(877) 623-7283
Judges (Code of VA Section 17.1-902) and staff	Judicial Inquiry & Review Commissioner	(804) 786-6636

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Illustration of Level 1 Screening Sheet (continued)

Non-Hotline Topics	Refer Caller Directly	Phone #
Legislative Branch - The Auditor of Public Accounts (APA)	Director of JLARC	(804) 786-1258
Lottery Hotline	State Lottery Hotline Internal Audit	(804) 692-7699 (804) 692-7123
Medicaid Fraud (can report fraud by providers or recipients)	DMAS Fraud Unit (provider) Recipient	(800) 371-0824 (804) 786-0156 (866) 486-1971
Occupational License (issues)	Dept. of Professional & Occupational Regulation	(804) 367-8500
Payroll Errors/Questions	Agency Payroll Office Department of Accounts	Varies (804) 225-2245
Personnel Matters {Refer callers alleging employment discrimination based on any of the following: race, color, gender (including sexual harassment), age, veteran status, national origin, religion, political affiliation, or disability}	Agency Human Resources Department of Human Resource Management-Office of Equal Employment Services	Varies (800) 533-1414
Private Sector Business/Charity	VDACS Consumer Protection	786-2042 (Richmond) (800) 552-9963
Public Defenders	Virginia Public Defender's Office 9 th and Franklin	(804) 225-4330
Retirement Benefits Misuse (State) and complaints regarding UNUM (Virginia Sickness and Disability Program) including alleged misuse of state disability benefits (short-term and long-term).	Virginia Retirement System For UNUM complaints only, refer caller to Margaret Corwin, VRS Product Administrator. For Disability Fraud, refer caller to the VRS IA Director or VRS Director	(888) 827-3847 or 649-8059 (Richmond) (804) 775-3225 (804) 344-3120
Road Problems/Conditions (road and traffic conditions, report unsafe road conditions, request state maintained work)	Virginia Department of Transportation	511 (800) 367-7623
Social Security Number Fraud	US Social Security Administration	(800) 269-0271
State Employee Fraud, Waste, and Abuse Hotline	DOA Division of State Internal Audit	(800) 723-1615 (804) 371-0165 (fax)
State-owned vehicle road-side assistance	Department of General Services	(866) 857-6866
Supreme Court	Record allegation and send case write-up to John Rickman, Supreme Court	(804) 786-6455
Terrorist-related Threats and Activities Including health-related threats, suspicious symptoms, outbreaks and other actions (including those involving labs, private hospitals, and physicians); technology incidents or threats; and transportation events or threats.	VA Dept. of Emergency Management VSP Terrorist Tip Hotline	(804) 897-6510 (877) 4VATIPS (877) 482-8477
Unemployment Insurance Abuse	Record allegation and send case write-up to Joseph Young, VEC Internal Audit Director	(804) 786-4445
Virginia Tax Fraud (if state employee, take call and forward information to Tax IA)	Department of Taxation	(804) 367-8031 tax- taxpayercomplaintreferral@tax. virginia.gov
VITA Customer Care Center	Virginia Information Technologies Agency	(866) 637-8482
WIC Fraud	Department of Health	(877) 835-5942 tellwic@vdh.virginia.gov
Workers' Compensation (if employee is victim) Also see Insurance Fraud Section above.	Agency Human Resources Workers' Compensation Commission	Varies (877) 664-2566

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Level 2 Call Screening

What Is Level 2 Screening? The DSIA’s Hotline Coordinator and the State Internal Auditor’s judgments, along with structured guidelines, are used to determine the seriousness of an allegation and to classify it as either:

- Serious or significant, to be investigated within 60 days.
 - Less significant, to be screened-out.
-

When Is Level 2 Screening Performed? The DSIA performs level 2 Screening within two business days after the call is received.

Purpose To ensure sufficient information is gathered in order to minimize investigative efforts and associated costs of investigations for allegations that appear to be less significant based on established screening criteria.

Process The DSIA Hotline Coordinator screens the hotline case based on established criteria and completes the Screening Sheet, which indicates whether the case met the criteria for further investigation, following the steps listed below:

Step	Description
1	The DSIA investigators give all new cases to the Hotline Coordinator.
2	The DSIA Hotline Coordinator prepares the screening sheet and decides whether an investigation is justified based on the screening criteria.
3	The DSIA Hotline Coordinator denotes on the screening sheet the results of the screening and provides the screened out cases and the screening sheet to the State Internal Auditor.
4	The State Internal Auditor reviews and approves/disapproves the DSIA Hotline Coordinator’s decision regarding the screened out case, and documents his decision on the screening sheet. He initials and dates the sheet.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Step	Description
5	Screened out cases are distributed to the Internal Audit Directors on a monthly basis and may be investigated at the directors' discretion. If a screened out case is investigated, the director is required to follow established hotline case investigative procedures. The original Investigative/Complaint Sheet and Screening Sheet are filed by case number in the hotline file.
6	Cases meeting the screening criteria are assigned to the respective agency's Internal Audit Director/Hotline Coordinator within two business days.

**Screening
Methodology**

The following methodology is used for performing the Level 2 screening and deciding if a case warrants an investigation.

Criteria	Methodology	Action
Scope	A case should not be normally referred for investigation unless the DSIA is certain that the allegation is within the scope of the Hotline.	Determine if the subject or target of the allegation is identified. If not, the case will probably be screened out. <i>If the subject of the complaint is not clearly identified, it is generally not practical to conduct an investigation</i>
Seriousness	If there is an alleged immediate threat to life or state property or an alleged violation of federal or state law, the case will usually be referred for investigation. An alleged violation of statewide policy will be considered for referral, depending on the other criteria.	Consider the seriousness of the allegation. Does the complainant allege a violation of law, policy, or procedure? <i>The violation of a law would rank as a more serious issue than the deviation from an agency procedure.</i>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Criteria	Methodology	Action
Materiality	Allegations of explicit loss of state funds or property, abuse of state <u>time</u> or <u>property</u> , or loss of productivity or inefficiency may be referred for investigation depending on the other criteria.	<p>Generally, those allegations with an estimated loss of \$2,000 or more will be referred for investigation if a sufficient level of detail is provided.</p> <p>Normally, estimated losses of less than \$200 will not be referred for investigation unless other criteria warrant an investigation.</p> <p>Those cases with estimated losses between \$200 and \$2,000 or those cases whose losses are not estimated will be referred based on a case-by-case review.</p>
Timing	<p>Generally, if the time elapsed since the alleged wrongdoing occurred has been 2 years or more, the case will not be referred for investigation.</p> <p>The frequency of the alleged wrongdoing will be considered with other criteria to determine if an investigation is necessary.</p>	Consider the timing and frequency along with other criteria.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Criteria	Methodology	Action
Level of Detail	If the subject of the allegation is not identified and detailed information is not provided and documentation is not provided or identified, the case usually will not be referred for investigation.	<p>Determine the amount of tangible evidence submitted or identified by the complainant.</p> <p><i>For example, copies of an official document such as a timesheet, payroll check, purchase order, vendor invoice, computer listing, memo on letterhead, or journal entries that show wrong doing greatly support the credibility of the allegations.</i></p> <ul style="list-style-type: none"> • Determine the degree of detail and specificity contained in the allegation. • Did the complainant provide the date, nature, timing, description, name, location, method of concealment, or dollar amount of wrongdoing? • The more details provided the more credible the allegation.
Related Issues	<p>If the caller states that the allegation has been previously investigated and found to be unsubstantiated, the case will not normally be referred for investigation unless the caller is able to provide additional information or a significant amount of time has elapsed since the initial investigation.</p> <p>If the allegation concerns a function that has a strong probability of adverse publicity, the case may be referred for investigation.</p>	<p>Compare the complaint to any other hotline complaints made of a similar nature in the past 6 months.</p> <p>If these cases were found to be unsubstantiated, determine whether any new information is contained in the new complaint. If not, the case should be considered for screening out.</p> <p>Try to determine the quality of previous investigations and the credibility of the caller.</p>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1003
Topic: State Employee Hotline – Screening	Date: January 2012

Illustration of Level 2 Screening Sheet

Division of State Internal Audit
State Employee Fraud, Waste, and Abuse Hotline
Level 2 Call Screening Criteria

Case #: _____ Initials: _____ Date: _____

I	Scope: Does the allegation fall within the Hotline parameters?	No -Stop	Uncertain	Yes
II	Seriousness: Is there an immediate threat to life or state property? Is there an alleged violation of Federal or State Law? Is there an alleged violation of State or Agency Policy?	No No No	Uncertain Uncertain Uncertain	Yes Yes Yes
III	Materiality: Is there an allegation of explicit loss of State funds or property? Is there an allegation of abuse of State time or property? Is there an allegation of loss of productivity or efficiency? Total estimated amount of alleged loss, if quantifiable. If none, check here: __ NQ	No No No <\$200	Uncertain Uncertain Uncertain \$200 - \$2,000	Yes Yes Yes >\$2,000
IV	Timing: How frequently has the alleged wrongdoing occurred? Time elapsed since the wrongdoing occurred?	Once > 2 Yrs	Several times 1 month - < 2 Yrs	Continuously On-going
V	Level of Detail: Is the subject/agency/function identified? Did the caller provide dates, times, witnesses, description, location, method of concealment? Was any documentation provided or identified?	No No No	Some id provided Some data provided Some identified	Name/Title Very detailed Evidence provided
VI	Related Issues: Did the caller report this elsewhere? Any other complaints of a similar nature reported within past 12 months? Is the allegation a topic with a risk of adverse publicity?	No No No	Reviewed by objective parties Yes, unsubstantiated Low	Reviewed by involved parties Yes, in progress or substantiated High

Case Reviewer Recommendation: ___ No Investigation ___ Investigate 60-Days

Review Comments:

State Internal Auditor Approval: Yes ___ No ___ Initials: _____ Date: _____

Comments: _____

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Assignment of Hotline Cases

Background

Policy The DSIA uses the statewide network of internal auditing programs and agency hotline coordinators to investigate the validity of hotline allegations (except for allegations investigated by the DSIA) and to ensure that appropriate corrective actions are taken to rectify those situations where fraud, waste, or abuse were identified.

Methodology Used to Assign Cases for Investigation

Process The DSIA assigns cases as follows:

Step	Description
1	Within 2 business days of receipt of the hotline call, the DSIA reviews and evaluates the seriousness of the allegation using a structured screening process.
2	The DSIA decides who shall conduct the investigation.
3	The DSIA assigns the case to either: <ul style="list-style-type: none"> • an Agency Internal Audit Program, • an Agency Hotline Coordinator, or to • the DSIA.
4	For cases assigned to the DSIA, the DSIA Hotline Coordinator assigns the case to a DSIA Investigator and notifies the State Comptroller as to why the case has been assigned to the DSIA.
5	For cases assigned to others, the DSIA prepares a transmittal letter to the respective Agency’s Internal Audit Director (or Hotline Coordinator) and attaches a copy of the Hotline Investigative/Complaint Sheet.
6	The DSIA makes a copy of the transmittal letter and attachment.
7	The DSIA states in the transmittal letter that there is a 60-day (calendar) reporting requirement. (Note: This reporting requirement also applies to investigations conducted by the DSIA.)
8	The DSIA mails the hotline transmittal letter and any attachments to the agency via U. S. mail and marks the envelope “Confidential.” Hotline documentation may be e-mailed provided the e-mail is encrypted.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Step	Description
9	A copy of the Transmittal Letter is provided to the DSIA Hotline Coordinator, who secures it along with the Hotline Investigative/Complaint Sheet in a locked filing cabinet.

Who Conducts The Investigation? The DSIA decides who shall conduct a hotline investigation based on the following:
.

If ...	Then the Hotline investigation is assigned to the...	Comment
The subject of the allegation involves an agency head or the agency Internal Audit Department.	DSIA	The DSIA also investigates: <ul style="list-style-type: none"> • Other officials as the circumstances warrant. Note: The DSIA can also investigate any case at its discretion.
Agency does not have an Internal Audit Program or an Agency Hotline Coordinator.	DSIA	
The agency has only a designated Hotline Coordinator.	Agency Hotline Coordinator <i>Heads of agencies that do not have an internal auditing program have designated a high-level individual within the agency to coordinate the DSIA's investigation and resolution of complaints directed at the respective agency.</i>	Depending on the complexity of the allegation, DSIA may assist and/or supervise the Agency Hotline Coordinator in the investigation. Depending on past performance of the Hotline Coordinator, DSIA may choose to conduct the investigation.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

If ...	Then the Hotline investigation is assigned to the...	Comment
All other cases	Agency Internal Audit Program	<p>Exception, the DSIA may conduct the investigation if:</p> <ul style="list-style-type: none"> • The allegation is very serious and/or time sensitive. • Requested to do so by the Internal Audit Director or Agency Head. • It involves more than one state agency. <p>Note: The DSIA may investigate any case at its discretion.</p>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Cases Assigned to Agency Internal Audit Directors

Large State Agencies

The DSIA recognizes that in some large agencies with locations throughout the Commonwealth, the Internal Audit Director may delegate hotline investigations to other responsible members of the management team or through contracts with private firms.

Investigations Delegated To Others

For cases delegated by the Internal Audit Director to other responsible members of the management team or through contract to a private firm, the Internal Audit Director shall:

- Ensure that others conduct hotline investigations in the same confidential manner as those conducted by the internal auditors.
 - Ensure that the person is in a position to be objective and unbiased.
 - Remain ultimately responsible to the DSIA for the proper conduct of the investigations.
 - Review the work performed by others and provide a conclusion as to whether or not the allegation(s) was/were substantiated.
 - Approve the objectives and questions that need to be answered or develop them and provide that information to the investigator.
 - Ensure that the person conducting the investigation is properly trained in how to conduct a hotline investigation.
 - An important consideration in conducting an investigation is determining how much information to provide to those outside the investigative process. Those involved in the investigative process must be familiar with investigative techniques, confidentiality requirements, and hotline policies. If sufficient investigative personnel are not available, the Internal Audit Director may consider delegating tasks without providing the sensitive information such as the allegation, investigative methods, and so on.
 - The IA Director will ensure that the person conducting the investigation is familiar with the hotline policies and procedures.
-

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Investigators' Responsibilities

Agency Responsibility Agency Internal Audit Directors and Agency Hotline Coordinators are responsible for conducting Hotline investigations. They shall not be restricted, limited, or interfered with by anyone in the conduct of hotline investigations.

The DSIA's Role The DSIA may participate in the agency's hotline investigation, if warranted by the nature of the allegation, or if the agency head or Internal Audit Director requests the DSIA's participation.

Agency Internal Audit Directors' Responsibility Agency Internal Audit Directors shall maintain confidentiality over hotline documents in order to preserve the integrity of the hotline program.

Confidentiality Hotline investigations will be undertaken in a confidential manner and related reports and correspondence will not be distributed to anyone other than the investigator or the agency head without the consent of the DSIA.

Copies of memorandums, reports, etc. pertaining to hotline investigations will only be provided to the individual assigned to conduct the hotline investigation and all documents must be marked as Confidential State Employee Hotline Documents.

Agency Audit Programs shall not share the Hotline *Investigative/ Complaint Report* with anyone except the individual who is conducting the investigation.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Hotline Investigative/Complaint Report

Security and Concerns Over the Hotline Investigative/Complaint Report

The DSIA believes the information contained on the *Investigative/Complaint Report* will compromise the caller’s identity because:

- The DSIA investigators prepare the *Hotline Investigative/Complaint Report* verbatim from the caller’s description of the situation.
 - Confidential information is contained in the *Hotline Investigative/Complaint Report* such as individuals who witnessed the alleged fraud, waste, or abuse.
 - Other information such as the time and date of the call can provide clues to the caller’s identity.
-

Confidentiality

The DSIA assures callers that they will be anonymous and steps are taken to protect their identity. The DSIA takes precautions to ensure that the identities of State employees who report alleged fraud, waste, or abuse to the hotline are not found out.

The *Hotline Investigative/Complaint Report* is handled by the DSIA under the strictest level of confidentiality and is marked “Confidential State Employee Hotline Documents”. Agency internal audit programs must provide the same level of confidentiality over hotline documents in order to maintain the integrity of the Hotline program.

Instructions That the DSIA Provides to Investigators

Agency Internal Audit Directors and others involved in hotline Investigations will not share the Investigative/Complaint Report with anyone except those individuals who are conducting the investigation.

If an investigator deems that it is necessary for investigative purposes to disclose the nature of the allegation(s) to the target, they may do so by providing them with a summary of the allegation(s). However, they should be careful not to provide any information that would compromise the caller’s identity. The allegation should only be disclosed to the target when sufficient evidence has been gathered so as to be confident that the allegation is substantiated.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Hotline Transmittal Letters

How are cases assigned to the investigator?

The DSIA uses the following types of transmittal letters to assign cases for investigation. A copy of the *Hotline Investigative/Complaint Report* is attached to the transmittal letter.

Type of Case	Example of a Transmittal Letter
Assigned Case	<p>DATE: Current</p> <p>TO: Agency Internal Audit Director</p> <p>FROM: Tim Sadler Audit Manager</p> <p>SUBJECT: <u>State Employee Fraud, Waste, and Abuse Hotline</u></p> <p>The attached complaint regarding Case No. XXXX was received by this Division and needs to be investigated by your unit.</p> <p>In connection with the previous instructions provided to you and your agency head about the hotline, a report should be sent to this Division within 60 days. Also, if you need additional information to investigate these cases, you should notify this Division within <u>10 days</u> of the date this Division took the allegation so that we can make further contact with the complainant. You should contact me at (804) 225-3106 if you need more information. Hotline Procedures and Policies can be found at the following website: http://www.doa.virginia.gov/DSIA/HotlinePoliciesManual.pdf. Please ensure that all required reporting elements are included in your report.</p> <p>Since strict confidentiality must be maintained over the entire investigation, you should make sure that all documents, working papers, notes, and reports dealing with this investigation are marked "<u>Confidential State Employee Hotline Documents</u>." In addition, all written communication with this Division about this or any other hotline case should be similarly marked and sent through the U.S. mail. This is to ensure that if any tampering occurs, the violator can be prosecuted to the maximum extent. All envelopes related to hotline cases should be marked "Confidential" when sent to this Division. If there are any questions regarding this matter, please contact me.</p> <p>Attachment</p>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Type of Case	Example of a Transmittal Letter
Screened-Out Case	<p>DATE: Current</p> <p>TO: Agency Internal Audit Director</p> <p>FROM: Tim Sadler Audit Manager</p> <p>SUBJECT: <u>State Employee Fraud, Waste, and Abuse Hotline</u></p> <p>As you are aware, we established a structured call screening process to reduce time and expenses associated with hotline calls that appear to have little or no substance. During the past month, this Division received the attached complaint(s), Case No. XXXX. While these allegations meet the hotline's definition of fraud, waste or abuse, they do not meet the criteria used by this Division to determine which calls warrant investigation through the hotline program. We have classified these cases as "<u>SCREENED-OUT</u>" and no investigation by your unit is required.</p> <p>All screened-out cases involving your agency are provided to you for informational purposes on a monthly basis. You do not need to provide a response regarding this/these case(s). However, if you decide to investigate this matter/these matters, you should follow the procedures established by this Division for conducting hotline investigations.</p> <p>If there are any questions regarding this matter, please contact me at (804) 225-3106, ext 23.</p> <p>Attachment</p>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1004
Topic: State Employee Hotline – Case Assignment	Date: January 2012

Reporting

Reporting Requirements

The DSIA requires a written report within 60 calendar days. The report may be submitted to the DSIA using encrypted e-mail.

Extensions to Reporting Deadlines

The DSIA generally will grant extensions to reporting deadlines at the Internal Audit Director's or Hotline Coordinator's request.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

“Call-Back” Hotline Calls

Introduction

Background

Hotline callers sometimes call back regarding cases that they previously reported. They usually call back for one of four reasons:

- Caller’s case number was on the after hours call-back tape.
 - Caller wants to know the results of the investigation.
 - Caller wants to add some additional information to the case.
 - Caller is calling back after three weeks, per our instructions, from the date he/she made the initial call.
-

The remainder of the call-backs usually ask one of the following questions:

- How was the investigation undertaken?
- Who conducted the investigation?
- How long did/does the investigation take?
- Was the case assigned for investigation? If not, why not?
- Was the allegation substantiated?
- What disciplinary action was taken against the subject of the allegation?
- It appears that nothing happened as a result of the call. Why not?
- Has the investigation been completed?
- Caller wants to mail in some additional information to the DSIA.
- How much longer will the investigation take?
- The allegation continues to occur.

The DSIA procedures for responding to the above questions are presented in this section.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

Policy

If the caller can provide sufficient information about the case to enable the DSIA investigator to identify the caller as the complainant, the DSIA Hotline Investigators may disclose that the investigation is either *in progress* or is *completed*.

The DSIA Hotline Investigators shall not disclose any further information about hotline cases by telephone. If a caller makes any further inquiries about a hotline investigation, the caller shall be directed to submit a written request to the State Internal Auditor to obtain answers.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

Hotline After-Hours Telephone Recording

Introduction The after-hours, recorded message left by the DSIA staff on the hotline telephone line provides a mechanism for hotline investigators to ask hotline callers additional questions about their allegations.

Call-Back Process The following process is currently in place for obtaining additional information from hotline callers.

Step	Description
1	On the initial call, the DSIA instructs the hotline caller to call back no sooner than three weeks after the initial call, and when calling back to check the after-hours messages.
2	The DSIA informs the applicable agency internal audit director of the initial call within 2 business days. At this time, the DSIA instructs him/her to let the DSIA know within 10 business days, if he/she has additional questions to ask the caller.
3	When hotline investigators have additional questions, the DSIA places the case number on the after-hours message.
4	The caller calls back after three weeks from the initial call date and responds to the investigator’s questions.
5	The DSIA relays the information to the investigator.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

How a “Call-back” Hotline Call Is Answered

How To Answer Call-Backs The following process is used by the DSIA:

Step	Who Does it ...	Description
1	DSIA Investigator	Investigator answers the hotline and asks caller if they are calling back about a case they previously reported.
2	DSIA Investigator	If no, see Accepting a Hotline Call. If yes, go to Step 3.
3	DSIA Investigator	Ask for the case number and then check the hotline database and “Call-back” file to see if the case has additional questions to be answered.
4	DSIA Investigator	<i>If the case number is listed on the call-back tape, refer to the first example under DSIA Procedure for Responding to Caller’s Questions (Page 1005-5)</i> If the case number is not on the call-back tape, then ask the caller how you can help him/her.
5	Caller	Caller explains why s/he is calling back about a specific case. <i>See examples provided earlier.</i>
6	DSIA Investigator	The DSIA provides assistance in response to the caller’s questions. <i>Refer to the specific questions listed in the following sections.</i>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

DSIA Procedure for Responding to Caller’s Questions

Confidentiality Prior to disclosing any information about a hotline case, the DSIA Investigator shall ask the caller to provide some details about the case which would only be known by the original caller, such as:

- When was the case reported?
- What is the subject of the investigation?
- What state agency was involved?

Process for Handling Various Types of Call-Backs Depending on the reason the caller is calling back, the DSIA Investigator shall handle the call as follows.

If...	Then...	Process ...
The purpose of the call is because the caller’s case number was on the call back tape	Retrieve the questions. <ul style="list-style-type: none"> • Cases on the Call-Back Tape are filed in the hotline case files marked "Cases on Overnight Tape". A note will be attached to the case containing the specific questions to be asked. • Contact the investigator to let them know that the additional information was received. • Delete the hotline case number from the call-back tape. 	<ul style="list-style-type: none"> • Document the caller's response on the Investigative/Complaint Sheet, below the questions. • Provide the form to the Hotline Coordinator. • Send the form to the IA Director which provides additional information to help in the investigation.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

If...	Then...	Process . . .
The caller wants to know the status of the investigation of the case.	<ul style="list-style-type: none"> Review the case write-up in the hotline database. Once you are satisfied that the caller is the bona fide complainant, disclose that the case is either “in progress” or “completed”. No other information shall be provided to the caller. 	No action is required.
Caller wants to add information to the existing case.	<ul style="list-style-type: none"> Review the case write-up in the hotline database. Once the investigator is satisfied that the caller is the bona fide complainant, take the new information. 	<ul style="list-style-type: none"> Write the additional information on an Investigative/Complaint Sheet. Provide the Investigative/Complaint Sheet to the Hotline Coordinator.
Caller is calling three weeks after the initial call was made, per our instructions.	<ul style="list-style-type: none"> Review the hotline database and “Cases on Overnight Tape” file to determine if the caller’s number is included. If so, then follow the call-back process. If not, advise the caller that we do not have any further questions for him/her. 	<ul style="list-style-type: none"> Refer to the first type of call-back process documented in this section. No action is required.
Caller wants to know about the manner in which the case was investigated.	Advise the caller that hotline investigations are conducted in a confidential manner and that investigative methods are not generally disclosed.	<ul style="list-style-type: none"> Refer the caller to the Hotline Coordinator or the State Internal Auditor, if the caller is not satisfied with the handling of the case.
Caller asks who conducted the hotline investigation?	Advise the caller that investigations are conducted in a confidential manner under the statewide network of internal audit programs under the direction of the DSIA. We do not disclose the name of the investigator.	<ul style="list-style-type: none"> Refer the caller to the Hotline Coordinator or the State Internal Auditor, if the caller is not satisfied.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

If...	Then...	Process . . .
<p>Caller asks if his/her case was assigned for investigation?</p> <p>If not, why not?</p>	<ul style="list-style-type: none"> Review the hotline database. Respond that the case was either assigned for investigation or screened out. If the case was screened out, explain the reason why it was not investigated to the caller. Advise the caller that if s/he wishes to provide more details about the allegation, we will re-consider investigating the case. 	<ul style="list-style-type: none"> If not investigated and the caller wants to add information, complete a case continuation sheet. Provide the new information to the Hotline Coordinator. <i>(The new information will be re-evaluated to determine if an investigation is warranted. Refer to the Screened Out Section.)</i>
<p>Caller asks if the allegation was substantiated?</p>	<ul style="list-style-type: none"> Once you are satisfied that the call is the bona fide complainant, you may disclose that the case is either in progress or completed. No other information shall be provided to the caller unless authorized by the Hotline Coordinator or the State Internal Auditor 	<ul style="list-style-type: none"> Refer the caller to the Hotline Coordinator or the State Internal Auditor, if the caller is not satisfied.
<p>Caller asks what disciplinary action was taken against the subject of the allegation?</p>	<p>Advise the caller that investigations are conducted in a confidential manner and that the results of the investigation are not generally disclosed. However, s/he may request the information under the Freedom of Information Act.</p>	<ul style="list-style-type: none"> Refer the caller to the Hotline Coordinator or the State Internal Auditor, if the caller is not satisfied.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

If...	Then...	Process . . .
<p>Caller states that nothing happened as a result of their call. Why not?</p>	<p>Review the case write-up in the hotline database.</p> <ul style="list-style-type: none"> • If the case is still under investigation, advise the caller that any necessary corrective action will be recommended once the case is completed. • If the allegation was unsubstantiated, document the caller’s concerns that the alleged fraud, waste, or abuse is still occurring and refer the information to the Hotline Coordinator or the State Internal Auditor so s/he can determine if a new case should be opened. • If the case was substantiated, consider whether or not the caller’s new allegation should be issued a new case number. Explain that it may take time for corrective action to be noticeable. 	<ul style="list-style-type: none"> • No action is required. • Document the conversation on an Investigative/Complaint Sheet. • Provide the Investigative/Complaint Sheet to the Hotline Coordinator. • Either a new case number is assigned or no action is taken. • Advise the caller to call back again in two weeks if corrective action has not been observed.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1005
Topic: State Employee Hotline – “Call-Back” Calls	Date: January 2012

If...	Then...	Process . . .
Caller wants to mail some additional information to the hotline.	Provide the following directions: <ul style="list-style-type: none"> • Mail via U S mail to: FWA Hotline P. O. Box 1971 Richmond, VA 23218-1971 • Mark the envelope "Confidential." • Write the case number on the documents. • Advise the caller that any documents provided become the property of the DSIA. • Request the caller to follow up via the Hotline to ensure that the DSIA received the documents. 	No further action is required.
Caller wants to know how much longer will the investigation take?	Advise the caller that hotline cases may take up to 60 days to investigate. Specific information about the length of time involved in the investigation cannot be disclosed.	No further action is required.
Caller wants to add a new allegation.	Take the allegation, but issue a new case number.	Follow the new case procedures.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Conducting a Hotline Investigation

Overview/Background

Purpose To provide guidance and suggestions to internal auditors and others, including the DSIA, who conduct hotline investigations.

Policy All investigations will be conducted thoroughly and with due diligence using investigative and interview techniques appropriate to the situation. The DSIA is available to assist in the development of appropriate investigative steps and interview questions and techniques. All investigative procedures will be documented and maintained as indicated below. The DSIA may, from time to time, review the investigative work to determine the quality and appropriateness of investigative work, and to provide suggestions for improvement in future investigations.

Objectives of a Hotline Investigation An investigation should be undertaken to:

- Determine if there is any validity to the allegation, and whether fraud, waste, or abuse occurred prior to reporting to, or alerting management of the potential fraud, waste, or abuse. Internal auditors may want to make the agency head or applicable management aware that they are conducting a hotline investigation but not provide the specifics of what is being investigated.
- Determine how the fraud, waste, or abuse took place and the conditions and circumstances that contributed to the fraud, waste, or abuse.
- Determine that corrective actions are taken to prevent future instances of the fraud, waste, or abuse from occurring and/or to remediate the condition, such as recovering the loss.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Security over Hotline Investigations

Confidential Stamp

Strict confidentiality must be maintained over the entire hotline investigation. All documents, work papers, notes, and reports associated with this investigation shall be marked **Confidential State Employee Hotline Documents**.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Confidentiality

- Investigative notes, interview notes, and other information relating to investigations will not be shared, discussed, or given to anyone without an absolute need to know.
- Strict confidentiality will be maintained over all hotline documents, notes, etc, at all times.
- All hotline documents will be secured at all times, when not in use.
- As a general rule, hotline cases should not be discussed with anyone, except for the DSIA Hotline Coordinator, the State Internal Auditor, or others involved in the investigation. However, some discussions about hotline cases are necessary. It may be necessary to notify the agency head, or their designee, that an internal auditor will be conducting a hotline investigation or to discuss aspects of a case with agency management to effect corrective actions. In such instances, investigators should disclose no more information than is absolutely necessary to those outside of the investigative process.
- Hotline investigations should be undertaken in a confidential manner and related reports and correspondence will not be circulated to individuals who are not directly involved in the conduct of the investigation.
- Copies of memorandums, reports, etc. pertaining to hotline investigations will only be provided to individuals who are conducting the hotline investigation and will be marked as Confidential State Employee Hotline Documents.
- Agency Internal Audit Directors shall not share the Hotline *Investigative/ Complaint Report* with anyone except the individual(s) who are conducting the investigation. These reports must never be shared with witnesses or the target of the investigation.
- Summary reports and support documents may be issued to agency management and/or grievance hearing officers to effect and uphold corrective and/or disciplinary actions. Contact the DSIA for guidance on what specific information may be released.
- To ensure confidentiality, under no circumstances should the investigative case number be disclosed to anyone other than the caller, head of internal audit, investigators, or hotline coordinator. Case numbers may appear in electronic work papers and menus that may only be accessed by the assigned investigator and/or supervisor.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

**Written
Communication
with DSIA**

- Written communications with the DSIA about hotline cases are to be sent primarily through the U.S. mail unless using encrypted e-mail. This is to ensure that if any tampering occurs, the violator can be prosecuted to the maximum extent.
- All envelopes containing hotline information should be marked "Confidential" when sent to the DSIA.
- Under certain circumstances communications may be sent over electronic media or by fax. Contact the DSIA prior to using these methods of communication.

**Custodian of
Hotline
Documents**

- State Internal Audit Directors shall maintain all information supporting investigations performed by them in a secure location, including encrypted electronic work paper databases.
 - All such information, documentation, etc., is the property of the DSIA and shall be so identified.
 - The DSIA may request that supporting information accompany investigative reports.
-

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Assignment of Hotline Case Investigations

Policy

Hotline cases are assigned by the DSIA to the respective agency Internal Audit Director in cases where the agency has an internal audit program.

Heads of agencies that do not have an internal audit program have designated a high-level individual within the agency to coordinate the DSIA's investigation and resolution of complaints directed at the respective agency.

Exception

Cases where the agency head or a member of the internal audit staff may be the subject of the investigation are investigated by the DSIA.

Hotline Coordinators

Heads of agencies that do not have an internal auditing program should designate a high-level individual within the agency to conduct investigations or to coordinate the DSIA investigation and the resolution of complaints involving the respective agency. This individual should have some background or training in conducting administrative investigations. The individual's name, position within the agency, address, and telephone number should be provided to the DSIA each year.

Large State Agencies

The DSIA recognizes that in some large agencies with locations throughout the Commonwealth, the Internal Audit Director may delegate hotline investigations to other responsible members of the management team or may contract them out to a private firm.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Investigations
Delegated to
Others

For cases delegated by the Internal Audit Director to other responsible members of the management team or to a private firm, the Internal Audit Director shall:

- Ensure that others conduct the hotline investigations in the same confidential manner as those conducted by the internal auditors.
- Ensure that the person is in a position to be objective and unbiased.
- Remain ultimately responsible to the DSIA for the proper conduct of the investigations.
- Review the work performed by others and provide a conclusion as to whether or not the allegation(s) was/were substantiated.
- Develop the objectives of the investigation and the questions that need to be answered and provide that information to the investigator.
- Ensure that the person conducting the investigation is properly trained in conducting a hotline investigation.
- Carefully consider how much information to provide to those outside the investigative process. Those involved in the investigative process must be familiar with investigative techniques, confidentiality, and hotline policies. If sufficient investigative personnel are not available, the Internal Audit Director may consider delegating tasks without providing sensitive information such as the allegation, the investigative methods to use, and so on to the non-investigative personnel.
- Ensure that the person conducting the investigation is familiar with these policies and procedures.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Target of the Allegation

When Should the Target Be Advised of the Allegation?

Investigators should avoid alerting the target of the allegation until they have sufficient evidence to corroborate the allegation. If the allegation is corroborated by reasonable evidence, the investigator shall interview the target of the allegation.

What Are the Rights of the Target of the Allegation?

Remember that an anonymous tipster initiated the investigation and it could be false. Therefore, the investigator should conduct a certain amount of investigative work to determine whether or not the allegation appears to be substantiated prior to interviewing the target. You should maintain strict confidentiality to protect the reputation of the target, especially for unfounded allegations. Be cognizant of the rights of the target, however, bear in mind these are administrative and not legal proceedings. For example, there have been instances where the target of an investigation retained legal counsel following an interview and requested legal representation in subsequent interviews. The DSIA permitted counsel to observe the interview on the condition that the counsel remained silent during the interview. Legal counsel was thus constrained from advising the client during the interview. Therefore, the target of the investigation may have legal counsel present, if desired, as an observer only. The investigator, in conjunction with advice from the Office of the Attorney General, should determine when or if agency legal counsel is necessary under such circumstances.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Structure of a Hotline Investigation

Overview of a Hotline Investigation The following is the structure of a hotline investigation:

Objective: **Did fraud, waste, or abuse (of state resources) occur?**

Step	Action	Comments/Suggestions
1	Review the Hotline Investigative/Complaint Sheet to ascertain what alleged fraud, waste, or abuse occurred and who was the target of the investigation.	Highlight the allegation (s) within the Investigative/Complaint Sheet. <i>Some examples of hotline allegations are: theft of cash, diverting cash receipts, financial fraud, lapping of accounts receivable payments, stealing or forging checks, theft of inventory or equipment, overstated work hours, leave abuse, misappropriation, falsified travel reimbursement vouchers, unnecessary purchase/spending, unnecessary or excessive travel, embezzlement, waste, mismanagement, conflicts of interest, manipulation of financial records, contract and procurement fraud, malfeasance, misappropriation of assets, misuse of funds, bribes, kickbacks, misstatement, forgery, and other irregularities.</i>
2	Determine if any further information is needed to conduct the investigation. If so, contact the DSIA Hotline Coordinator.	The DSIA will place the hotline case number on the call-back tape. Once the complainant calls back, the DSIA will gather the additional information and provide it to the Internal Audit Director.
3	Research what law, regulation, state and/or internal agency policy governs the allegation.	State references should include a review of the CAPP manual, the PMIS, and the DHRM policy manual at a minimum.
4	Set the scope of the investigation, considering the evidence identified or provided by the complainant such as: documentation, witnesses, method of concealment, date of occurrence, etc.	<ul style="list-style-type: none"> • Develop investigative strategies to gather sufficient information about the details provided in the complaint to substantiate/refute material allegations. • Decide what investigative techniques shall be used to corroborate or refute the allegations. Some examples of how to investigate allegations are provided below.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Step	Action	Comments/Suggestions
5	Prepare a work plan.	<p>An effective work plan will:</p> <ul style="list-style-type: none"> • Guard against omitting important steps. • Help the auditor perform an efficient investigation. • Keep the investigation organized and focused.
6	Conduct a discrete and thorough on-site investigation to obtain evidence and other documents to establish a reasonable basis for any opinion rendered.	<ul style="list-style-type: none"> • Avoid tipping off the suspect (target) during the early stages of the investigation. You may accomplish this by reminding those you interview that they should keep the information discussed confidential. When requesting information consider requesting additional information to conceal the identity of the target, (for example request travel vouchers for W, X, Y and Z instead of just X.) Never divulge the name of the target of the investigation. That is, while it may be necessary to ask about X's activities, never tell a witness that X is the target of a hotline investigation. • Be wary of receiving misleading information. • Be careful that outsiders do not find out the nature of the hotline investigation. • Remember that an anonymous tipster initiated the investigation and it could be false. You should maintain strict confidentiality to protect the reputation of the target, especially for unfounded allegations. • Be cognizant of the rights of the target.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Step	Action	Comments/Suggestions
6 cont.		<ul style="list-style-type: none"> Gather evidence. Trace accounting entries, recognize patterns in documents, search electronic databases, identify documents that appear forged or reconstructed, conduct interviews of witnesses and suspects, and maintain a high level of professional skepticism.
7	Evaluate evidence obtained to date and decide whether additional information is needed to meet the investigation objective. If necessary, search for and accumulate additional evidence.	<p>If the information gathered does not support the hotline allegations, discontinue the investigation.</p> <p>(Remember the Hotline Executive Order states that investigations be undertaken in the most cost efficient manner.)</p>
8	Evaluate the evidence and determine what it means in relation to the suspected fraud, waste, or abuse activity. Carefully assess the relevance of all gathered evidence.	<p>Gathered evidence should enable the investigator to answer the following questions:</p> <ul style="list-style-type: none"> Did fraud, waste, or abuse occur? When did it occur? What assets or accounts were involved? How was it committed? What is the amount?
9	Reach a conclusion based on the evidence gathered on whether fraud, waste, or abuse occurred and, if necessary, make recommendations to prevent improper incidents from recurring.	Be alert to opportunities such as internal control weaknesses that could allow fraud to occur. If significant internal control weaknesses are detected, consider performing additional tests to detect other fraudulent transactions.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Step	Action	Comments/Suggestions
10	<p>If fraud, waste, or abuse occurred:</p> <ul style="list-style-type: none"> • Make recommendations to agency management to rectify the fraud, waste, or abuse identified in the hotline allegation. <p>As considered necessary,</p> <ul style="list-style-type: none"> • Make recommendations to prevent future similar occurrences of fraud, waste, or abuse from occurring. • While recommendations that appropriate disciplinary actions be taken may be included, it is within management’s authority to determine final disciplinary action. • Make recommendations for recovery of any monies due to the Commonwealth. <p>If there is a reasonable suspicion that a fraudulent transaction occurred, refer to the Code of Virginia Section 30-138 for reporting requirements.</p>	<ul style="list-style-type: none"> • Report information to the DSIA following established reporting guidelines. (Refer to Reporting section/Topic No. 1007). • The DSIA does not prescribe any specific reporting guidelines for the Internal Auditor to follow when reporting hotline results and recommendation(s) to agency management. The Internal Audit Division should provide hotline recommendations to Senior Agency Management in the same manner that it reports other strictly confidential matters. • All reports resulting from hotline investigations are to be marked as “Confidential State Employee Hotline Documents.” • A copy of all reports issued by management that address hotline recommendations shall be provided to the DSIA. • The Internal Audit program is the custodian of all work papers and any other documents relating to the hotline investigation. (These documents are to be maintained until the DSIA informs Internal Audit that the documents may be destroyed in accordance with the State Library record retention guidelines. To maintain confidentiality of the documents, Internal Audit staff should perform the destruction of the documents.) • All hotline documents, reports, and other information relating to a hotline investigation are the property of the DSIA.
11	Report results of the investigation to the DSIA, rendering your opinion on whether or not the allegation was substantiated.	See reporting section for more details.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Gathering Evidence

How Do I Determine If the Allegation Is Valid?

Various types of investigative techniques are used to gather evidence needed to substantiate or refute the hotline allegation. Examples follow.

What Evidence Is Needed?

Sufficient evidence to either confirm or refute the allegation.

What Investigative Techniques Are Used?

Investigators should select the type of investigative techniques based on the following:

- Effectiveness of the method selected; will it likely uncover fraud, waste, or abuse?
- Investigator's knowledge and comfort in using the method.
- Costs of using the method. The selected method may be too expensive given the potential dollar amount of the allegation.
- Ability to gather the evidence without arousing suspicions.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Examples of Types of Evidence

Evidence	Definition	Examples of Investigative Technique(s)
Documentary	Written evidence on paper or computer medium.	Examination of records and computer databases to obtain the documents. Examinations, recompilations, and financial analysis of records. Sample transactions and documents. Extraction of data from databases.
Testimonial	Evidence obtained from the testimony of individuals	Interviews of witnesses and/or suspects.
Observational	Evidence of actions or behavior seen or heard by the investigator.	Observing a scene where alleged fraud, waste, or abuse is expected to occur and recording observations of physical facts, acts, movement on paper, tape, or film. Physical examination and confirmations with third parties.
Covert surveillance	Gathering evidence by tailing, through electronic surveillance, and through undercover operations.	Generally not used for hotline investigations. Consult with the DSIA before using this technique.
Other physical forensic evidence	Gather evidence by using scientific techniques such as collecting fingerprints or analyzing handwriting samples.	Generally not used for hotline investigations. Consult with the DSIA before using this technique.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Additional Information about Gathering Testimonial and Documentary Evidence

Discovery Sampling to Gather Documentary Evidence Use when it is too time consuming or expensive to manually investigate all documents in an area unless there is evidence that fraud exists. Discovery sampling allows the auditor to examine fewer than all items in a population and quantify the risk of error/fraud in the entire population.

Personal Observations to Gather Evidence Use to observe a location where the allegation occurred. The investigator makes a log of the date, day, time, and location of observation; the name of the observer and any witnesses; all movements and activities observed; the identity of the persons observed; and the time of the occurrence. An example is watching activity within a warehouse.

Interview to Gather Testimonial Evidence An interview is a major investigative technique. It is generally a non-accusatory structured question and answer session held for a specific purpose. An interview is usually held to obtain new or corroborating information from neutral or other witnesses who are not suspected of involvement in the alleged fraud, waste, or abuse. The questions are usually about agency policies, procedures, and controls and any deviations that they witnessed, and other details such as who deviated from the policies and procedures, leads or tips about possible suspects, information about other possible witnesses, the interviewee's connection with the target, and any documents received from the target.

Interrogation to Gather Testimonial Evidence Interrogation is a carefully controlled and confrontational interview with a suspect. The purpose is to obtain information from the suspect that is not obtainable elsewhere, to obtain a confession from a guilty suspect, or to obtain evidence that the suspect is not involved in the allegation. It is recommended that two investigators be present so that one can serve as a witness to the session.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

How to Plan an Interview

It is important to remember that your objective is to obtain truthful and complete disclosure with as little inconvenience to the interviewee as possible. The following steps should be taken:

Step	Action
1	Timing: Hold as soon as possible but not before the investigator has gathered sufficient evidence and information on which to base the interview questions.
2	Advance Notice: The amount of notice given to the interviewee should be carefully determined. Some investigators like to give the interviewee advance notice so they can be better prepared to give informed answers and/or gather any supporting documents. Other investigators do not like to give advance notice for various reasons, such as the target might find out and coerce or supply answers to the interviewee. Hostile interviews should be held on a surprise basis so that the interviewee will have no time to prepare answers.
3	Preparation: The investigator should gather as much information as possible before the interview, about the allegation, and the person being interviewed. This will help the interviewer to structure questions.
	Physical Location: The interview should be conducted in a confidential, controlled setting. The room should offer privacy and be away from interrupting co-workers and other distractions.
	Room Arrangement: The investigator should be seated in the place that gives the best eye contact and proximity to the interviewee. Also, the investigator should not block the interviewee's ability to exit the room.
	Other Considerations: The investigator should only interview one person at a time, both for privacy purposes and because one person may influence another.
4	Conducting the Interview: <ol style="list-style-type: none"> 1. Opening – Perform introductions and state the purpose of the interview. Do not divulge information that may identify the caller or other witnesses. 2. Middle – Obtain information about the allegation by asking questions. These types of questions are usually non-threatening and non-confrontational and are asked to obtain factual and unbiased information. The questions may be open-ended, closed, or leading. 3. Closing- Ask closing questions to summarize key facts and statements made during the interview to be sure they are correct. Usually start with..."Let me summarize what we have discussed..." Give the interviewee a business card or number to call if they have questions or follow-up information.
5	Summarize the results of the interview as soon as possible after concluding the interview.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

**Interviews –
Other Hints**

You should consider the following:

If interviewee is:	Then consider:
Friendly (helpful, volunteering information)	That the interviewee may: <ul style="list-style-type: none"> • Sincerely want to help. • Be seeking revenge against the suspect for some other reason • Be trying to deflect the investigator’s attention. • Offer biased, false, or irrelevant information.
Neutral	<ul style="list-style-type: none"> • That the interviewee provides the most unbiased information. • Interview the neutral witness first.
Hostile	That the interviewee may: <ul style="list-style-type: none"> • Be associated with or friends with the suspect • Need to be persuaded to be interviewed. • Need to be reminded that they are not suspected of involvement. • Need to be reminded that the interview is an important use of their time. The interviewer should: <ul style="list-style-type: none"> • Display a sympathetic and nonjudgmental attitude. • Minimize facts that can make someone reluctant to be interviewed or that can inhibit an interview.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

How Do I Document the Interview?

Interview forms are used that contain the name of the interviewee, date, time and location of the interview and the opening statement that follows. Questions are asked of the interviewee and their responses are recorded on the interview form. It is important to take good notes and to record as closely as possible the interviewee’s responses verbatim. This is one reason for having two investigators conduct interviews – one can take notes. In some cases, where the case is sensitive and you want to avoid repudiation by the interviewee or you believe the responses may be complex, you may want to tape record their responses. In such instances, request the interviewee’s consent before recording and have them acknowledge their consent on the recording before beginning.

Investigators may want to get the interviewee’s signature or initials on the interview sheets.

Opening Interview Statement

The following statement should be read to all interviewees to clarify the level of confidentiality expected from the interviewee:

We are conducting a confidential review on behalf of the State Employee Fraud, Waste, and Abuse Hotline in accordance with Executive Order #15. We will ask you to respond to some questions pertaining to this review and to provide any other information that you consider relevant. We request that you not discuss with anyone what we talk about during this interview. If you do so, you could jeopardize the confidential nature of this investigation. We ask for this confidentiality in order to protect you, other witnesses, and the subject(s). The information that you provide to us will be treated in the same way as any other information gathered during this review. We appreciate your cooperation and taking the time to meet with us and respond to our questions.

What Questions Do I Ask Witnesses?

Generally, witnesses are asked questions that provide factual information related to the allegation. The following are interview questions that are typically asked for different types of allegations.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Type of Allegation	Typical Questions to Ask Witnesses
Leave Abuse	<ul style="list-style-type: none"> • Are alternate work schedules allowed? • Based on your observations, what is the subject’s set work hours? • When does the subject take lunch and breaks? • Physically, are you in a position to observe the subject(s) when they enter or leave their office? Is anyone else in a position to observe this? • Does the employee arrive late/leave early? If so, how often does this occur and how long has it been going on? Are there other individuals who may have observed this? • Can you provide specific dates of leave abuse? • Are there sign-in/sign-out sheets, time clocks, electronic building access records, or computer log on/off records? Are there any other records available to determine when the subject arrives or leaves? • If the subject leaves early, do you know where the subject goes? <p>If surveillance will be conducted, then also ask:</p> <ul style="list-style-type: none"> • What type of vehicle does the subject drive? Ask for the make, model, color, and license plate #. • Are there assigned parking spaces? Where does the subject normally park? • Describe the subject. Ask for the approximate height, weight, hair color, etc. Ask for any available photos of the individual such as from an office party or a website. • Where does the subject live? Do you know the route they go to/from work? • How do you know whether leave forms are turned in? • Does the subject work extended hours, nights, or weekends? • Is there a compensatory time policy? • Does the agency have a telework policy?
State Vehicle Abuse	<ul style="list-style-type: none"> • Is the subject permanently assigned a vehicle? If not, how does s/he obtain access to a state vehicle? • Describe the state vehicle (make, model, color, license plate #). • For what business purpose would the subject need to use a state vehicle? • Does the subject drive the vehicle to and from work? If so, estimate the approximate distance of roundtrip travel. • If the vehicle is used for personal purposes, how is it used? (Subject drives to lunch, shops at the mall, etc.) Obtain specific details. • Provide specific dates of when the vehicle abuse occurred and frequency. • If necessary, interview the Fleet Manager. • What is the agency policy regarding vehicle use?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Type of Allegation	Typical Questions to Ask Witnesses
Telephone/ Cell Phone/Fax Abuse	<p>Telephone/Cell Phone Calls</p> <ul style="list-style-type: none"> • What is the process for monitoring telephone calls? • How do you know the telephone calls are not related to state business? • Do you know who the subject is calling and the telephone number called? • Are the phone calls long distance or local calls? • What evidence exists? <p>Faxes</p> <ul style="list-style-type: none"> • What fax machine is the subject using (fax number and location)? • What type of documents is the subject sending and/or receiving? • Do you know the fax number the subject is sending/receiving documents to/from? • Do you have a copy of those documents? If so, please provide.
Purchases	<p>Procurement Violations</p> <ul style="list-style-type: none"> • What was purchased and what was the cost? • Who authorized the purchase? • Have the goods/services been received? • Has the agency paid the vendor for the goods or services? • What account name/number was the purchase charged to?
Private/ Personal Business on State Time or Uses State Resources	<ul style="list-style-type: none"> • Does the subject have an outside business or part-time job that s/he is working on while at work? • Describe the nature of the outside or personal business that is being conducted while at work. • What is the name of the business? Do you have a business card, pamphlet or any other materials? If so, please provide. • How much time does the subject spend on this business each day? How long has this been going on? • Is the subject conducting the outside business during state work hours, during lunch, or after work hours? • Does the subject come in early, work late, have an approved telework agreement, or work on weekends to make up the time? • What state resources is the subject using for outside business purposes (computer, copier, paper, fax machine, Internet, etc.)? • Is the subject receiving and/or making telephone calls? If so, to whom? How do you know the calls are not related to state business? • Do you have any evidence that supports this allegation, such as copies of documents prepared or faxes? • Does the subject use other staff to assist in the work?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Type of Allegation	Typical Questions to Ask Witnesses
Travel	<p>General Questions</p> <ul style="list-style-type: none"> • What was the date and time of the travel? • What was the travel destination or location of the occurrence? • What was the purpose of the travel? • Did anyone else travel with this individual? If so, please identify. • Was a travel claim filed and reimbursement made?
Computers	<p>Unauthorized use of a state computer</p> <ul style="list-style-type: none"> • Does the subject prepare personal documents on his/her computer? • Is this done on state time, after hours, or during lunch? • Describe the documents that were used or prepared. How much time was spent using or preparing the documents? • What is the subject of the documents? • Do you have copies of the documents? If so, please provide them to us. • Where are the documents saved (hard drive, diskette, CD, DVD, network)? • Were any other state resources used in preparing these documents, such as a copy machine or printer?
Internet Abuse	<ul style="list-style-type: none"> • Does the subject have a separate log-on to access the Internet? • What types of sites does the subject access? Do you know of any specific site addresses? • Is the Internet access through the agency network or a private service provider?

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Hotline Interview Techniques

The following are some examples of interview techniques used by hotline investigators to address specific allegations.

Type of Allegation	Symptoms	Detection
Leave Abuse	<ul style="list-style-type: none"> • Late arrivals, early departures, extended lunch breaks • Failure to turn in annual or sick leave request forms. • Unable to keep up with work load. • Poor performance • Official records indicate little or no use of annual or sick leave. • No set work hours 	<ul style="list-style-type: none"> • Personal Observation • Interview witnesses • Search time and attendance records for patterns • Monitor time of day of computer log on/off. • Monitor building access or parking lot access • Review building access or parking lot access records.
Abuse of telephone	<ul style="list-style-type: none"> • Increased volume and duration of telephone calls • Out of state calls • Poor system of reviewing and monitoring employee telephone calls • No internal telephone policy 	<ul style="list-style-type: none"> • Search telephone records • Interview witnesses • Search telephone message pads, if applicable • Obtain records from the VITA/contracted vendor as needed • Identify parties called as provided by the VITA/contracted vendor
Theft of Cash	<ul style="list-style-type: none"> • Cash receipts differ from normal or expected patterns. • Unusual amounts or patterns of cash overages/shortages. • Increased use of the petty cash fund or the inappropriate use of petty cash. 	<ul style="list-style-type: none"> • Conduct surprise cash counts • Make observations • Interview witnesses • Review supporting documentation, etc.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Type of Allegation	Symptoms	Detection
Unfair Hiring	<ul style="list-style-type: none"> • Poor or insufficient documentation of the stages of the hiring process, such as the screening of applications. • Qualified applications are screened out so that the favored applicant scores high enough for an interview. • Documents are missing, such as interview notes. • Screening criteria are not related to the position description. 	<ul style="list-style-type: none"> • Examination of personnel and recruiting records. • Redo the initial scoring of applications. • Interview all panel members. • Interview witnesses. • Review the qualifications of selected individuals. • Do staff believe that the individual is adequately performing the job duties?
Theft of Inventory	<ul style="list-style-type: none"> • Inventory discrepancies • Inventory is lower than expected • Inventory records are missing • Poor internal controls over the inventory • Inventory is not in the state’s fixed assets system 	<ul style="list-style-type: none"> • Make inventory comparisons • Observe the inventory • Perform surprise physical inventory counts • Compare the most recent inventory listing to the procurement and usage records, and then compare it to the physical inventory.
Theft of computer	<ul style="list-style-type: none"> • Missing computer inventory records • Poor internal controls over the computer inventory • Computers are not in the state’s fixed assets system • No internal system • No sign-out sheets are completed when taking the computer home 	<ul style="list-style-type: none"> • Compare purchase records to the physical inventory • Interview witnesses • Perform surprise physical inventory counts • Review inventory control records

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Type of Allegation	Symptoms	Detection
Inflated hours on time sheets	<ul style="list-style-type: none"> • Sloppy, altered, or forged records • No records • Unable to keep up with workload 	<ul style="list-style-type: none"> • Review the records • Interview witnesses • Search time and attendance records for patterns • Monitor the time of day of the computer log on and log off • Monitor the time of day of outgoing telephone calls • Monitor the building access or the parking lot access
Procurement kickbacks	<ul style="list-style-type: none"> • Improper segregation of duties • Poor internal controls over purchasing • No code of ethics or internal policy prohibiting certain types of gifts, etc. 	<ul style="list-style-type: none"> • Interview witnesses • Review employee’s statement of economic interest form

Reaching a Conclusion Based on the Evidence

Once the appropriate documentation has been gathered and reviewed and all necessary interviews have been conducted, a conclusion should be reached regarding whether or not the allegation is substantiated. When there is more than one allegation, it may be necessary to conclude that some of the allegations are substantiated while others are not. It is important to look at each allegation individually when drawing the final conclusion.

To conclude that there was waste or abuse does not require that it be intentional. Therefore, this should not be considered when determining whether or not the allegation was substantiated. However, mitigating circumstances may be considered when determining corrective action.

The standard of proof for substantiating allegations is a preponderance of the evidence; that is, there is more evidence than not that substantiates the allegation. It is not necessary to have proof beyond a reasonable doubt. Clear and convincing evidence is enough to cause a reasonable person to believe that the subject committed the offense or was responsible for the outcome.

When determining whether an allegation has merit, all evidence gathered should be weighed, including witnesses’ statements. Without supporting documentation to prove the allegation is true, relying on witnesses’ statements

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

alone is risky. Normally witnesses' statements should lead to other evidence that can be proven such as records or documents. While witnesses' statements alone will not make the case, they do provide additional corroborating evidence that the allegation is true, provided there is documentary evidence to back it up.

In the case where the investigator has the word of one witness against another, it will be difficult to conclusively deem that an allegation is substantiated. However, this does not prevent the investigator from stating in the report what each witness said. The investigator should refrain, though, from giving an opinion as to which witness is to be believed.

You may also find that the allegation is not substantiated, but that policy changes or improvements in internal control may avoid future problems. In such cases, you may find the allegation unsubstantiated, but make these recommendations as a part of your hotline report.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Guide to State Policies, Laws, and Regulations

Reference Matrix

Some frequently used state policies, laws, and regulations are listed below. This matrix is provided for use only as a quick reference. This matrix does not include all applicable state codes, policies, and regulations. You should refer to the regulation for additional information and you must also consider internal policies and procedures:

Topic	Reference	Summary
Hours of Work	DHRM policy 1.25	Work schedules, alternate work schedules, overtime hours, lunch periods, and breaks.
Compensatory Leave - Exempt Employees	DHRM policy 3.10	<ul style="list-style-type: none"> • <i>Additional work hours for an exempt employee must be specifically authorized in advance by the agency head, or his/her designee.</i> • Additional work hours are intended only to relieve specific peak workload needs and shall not be authorized to provide for continuous workload requirements. • Additional work hours <u>do not</u> include extra hours that an exempt employee <u>independently</u> determines are necessary to carry out his/her job responsibilities.
Outside Employment	State personnel policy under the DHRM's <u>Policies and Procedures Manual</u> , Standards of Conduct, 1.60, requires that:	<ul style="list-style-type: none"> • Employees obtain approval from supervisor prior to accepting outside employment. • Employees complete a telework agreement that is kept on file in the agency.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Topic	Reference	Summary
Telephone Policy	<ul style="list-style-type: none"> Department of Accounts, the CAPP Manual, Section 20310, Expenditures VITA/Contracting vendor 	<ul style="list-style-type: none"> The agency head or designee must authorize the acquisition and use of cellular phones. Recurring monthly billings must be received in the agency fiscal office. The VITA's general telephone procedures state that Commonwealth-provided telephone services are to be used for conducting official business only, and should not be used for personal or private purposes.
State Vehicle	DGS Fleet Management http://www.dgs.virginia.gov/ofmshome/tabid/173/Default.aspx	<ul style="list-style-type: none"> Fleet Vehicle Use Commuting with Fleet Vehicles Enterprise contract vehicles
State Travel Policy	Department of Accounts, the CAPP Manual, Topic No. 20335, State Travel Regulations	<ul style="list-style-type: none"> Business Meals Commuting Mileage Conference Procurement Disallowed Expenses Lodging Reimbursement Rates Meals and Incidental Travel Expenses Mileage Rates Overtime Meals Rental Car Travel Charge Cards Travel in Personal Vehicle Travel Reimbursement Requirements
Petty Cash	Department of Accounts, the CAPP Manual, Topic No. 20330, Petty Cash	<ul style="list-style-type: none"> Policy Restrictions

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Topic	Reference	Summary
Small Purchase Charge Card	Department of Accounts, the CAPP Manual, Topic No. 20355, Purchasing Charge Card	<ul style="list-style-type: none"> • Purchasing Card Security • General Requirements
Small Purchases	APSPM Chapter 5	<ul style="list-style-type: none"> • DGS - Small Purchases
Competitive Procurements	APSPM Chapter 6 APSPM Chapter 7	<ul style="list-style-type: none"> • DGS -Competitive Procurements
Sole Source Procurements	APSPM Chapter 8	<ul style="list-style-type: none"> • DGS - Sole Source Procurements
Emergency Procurements	APSPM Chapter 9	<ul style="list-style-type: none"> • DGS – Emergency Procurements
Standards of Conduct	DHRM Policy 1.60	<ul style="list-style-type: none"> • Standards for Professional Conduct
Procurement – Ethics	Code of Virginia Ethics in Public Contracting	<ul style="list-style-type: none"> • §2.2-4300, ...<i>All procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety....</i> • §2.2-4368,... <i>A procurement transaction means all functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.</i> • §2.2-4371,... <i>No public employee having official responsibility for a procurement transaction shall solicit, demand, accept, or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value...</i>

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

Topic	Reference	Summary
Procurement	APSPM Section 3.22	State procurement policy requires that ... <i>all state employees having official responsibility for procurement transactions shall conduct business with vendors in a manner above reproach in every respect...</i>
State and Local Government Conflict of Interests Act.	<u>Code of Virginia</u> §2.2-3106 A, the State and Local Government Conflict of Interests Act.	<i>No officer or employee of any governmental agency shall have a personal interest in a contract with the governmental agency of which he is an officer or employee, other than his own contract of employment.</i>
Hiring	DHRM 2.10	Includes recruitment, screening, and selection.
Compensation	DHRM 3.05	Encompasses all pay practices to include starting pay, temporary pay, role changes, and in-band adjustments.
Expenditures	Department of Accounts, the CAPP Manual, Topic No. 20310, Expenditures	Expenditures that are not considered to be proper charges against state funds.

References

The Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing*, Code of Ethics.

Guide to Fraud Investigations, Practitioners Publishing Company, Fort Worth, Texas.

Governor's Executive Order Number Fifteen (2010), The State Employee Fraud, Waste, and Abuse Hotline.

Department of Accounts, *CAPP Manual*.

Department of General Services, *Agency Procurement and Surplus Property Manual (APSPM)*.

DGS, Division of Fleet Management, *Rules & Regulations governing the use, operation and maintenance of state-owned fleet vehicles*.

Department of Human Resource Management, *Human Resource Policies and Procedures Manual*.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1006
Topic: State Employee Hotline – Investigations	Date: January 2012

**Subject Cross
References**

Code of Virginia, §30-138, State agencies, courts, and local constitutional officers to report certain fraudulent transactions to the Department of the State Police and the Auditor of Public Accounts.
Code of Virginia, § 2.2-3705.3, Virginia Freedom of Information Act; exemptions.
Code of Virginia, §2.2-1600, The Department of the State Internal Auditor.

**Records
Retention**

Copies of hotline documentation are to be maintained on file in each agency’s internal audit department for 3 years after the case is closed. DSIA annually informs the internal audit departments of case files that may be disposed of. See the Library of Virginia Records Retention and Disposition Schedule No. 101, “Investigative Files, Records, or Reports.”

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

Reporting

Guidelines

Subject This Chapter addresses the State Internal Audit Directors’ responsibilities for submitting hotline reports to the DSIA and appropriate management, including Boards of Visitors.

Hotline Reports As a general rule, hotline reports should not be released to anyone, except to the DSIA. However, it may be necessary in some cases to issue summary reports for hotline cases. For example, it may be necessary to supply such a report to the agency’s governing board in order to keep them notified of significant events, or it may be necessary to issue such a report to agency management in order to effect corrective and/or disciplinary actions. In such instances, summary reports should disclose no more information than is absolutely necessary. It is imperative that the callers and witnesses’ identities are protected and that such reports do not disclose information that may compromise their identities.

Summary Reports As a general rule, summary reports should follow these guidelines:

- The summary report should be limited to a statement that an investigation took place. The summary report should also state the finding(s) and the recommended corrective action(s).
- The summary report should not disclose that the investigation was conducted in connection with the hotline, and should not be stamped “Confidential State Employee Hotline Document”.
- It is permissible, though not required, to make recommendations for disciplinary actions in the summary report.
- Summary reports and support documents may be issued to agency management and/or grievance hearing officers to effect and uphold corrective and/or disciplinary actions.
- The summary report should be carefully prepared to exclude information in the scope of the investigation that may reveal any witnesses to the investigation. Moreover, the summary report should not include the hotline allegation or other information that may compromise the identity of the caller. The summary report should not include the case number, date of call, or other information that might identify the caller or witnesses.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

Due Date of the Report

All cases that are assigned have a report due date sixty days from the assignment of the case.

Report Format

While there is no particular format for the report that is due to the DSIA, the content of all reports should be similar. Agency Internal Audit Directors or Hotline Coordinators will provide a report to the DSIA which includes the information contained in this section. Below are the required report elements.

Report Elements – Report to DSIA

- Case number;
- Amount of funds involved in the fraud, waste, or abuse;
- Nature of the complaint;
- Results of the investigation, including savings identified and recoveries and/or restitution expected to be received;
- Auditor’s conclusion;
- Any corrective actions planned or taken;
- The name of the target of the complaint;
- Any internal control weaknesses identified and corrected;
- Cost of the investigation

Case Number

This is a five digit number that is included on the case referral form that is sent to the investigators.

Nature of Complaint

Hotline referrals are written in a narrative form that closely corresponds to the actual conversation that was held during the original call, and as such include allegations, and other information needed by the investigators. In order for the report to be clear, investigators should include the allegations that they are investigating. These allegations can be stated in a narrative form or in a list. Often cases have more than one related allegation, and the investigator should include all of those that they investigate.

Investigative Techniques or Scope

The investigator should include a statement of the investigative techniques used to investigate the allegation. These statements may be broken down by allegation, or included in a separate section. If there are more than three related allegations in one case, it is generally clearer to separate the investigative techniques by allegation. This section may be either in narrative form or completed as a list; however, it should be specific. It should include all of the steps taken to investigate the case.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

Results of Investigation

The results of the investigation section should include the auditor’s findings and observations made during the course of the investigation. At a minimum, there should be observations that address the allegations and issues identified. Generally, there should be observations for each of the investigative techniques outlined in the section preceding this one.

If during the course of the investigation other internal control or compliance issues not specifically related to the allegations are identified, they also should be included in the report along with the appropriate recommendations that address these issues.

Auditor’s Conclusion

Cases must be concluded as to being substantiated, unsubstantiated, or inconclusive. A substantiated case indicates that fraud, waste, or abuse occurred. The auditor’s conclusion must go beyond merely confirming whether information contained in the allegations is factual. It is possible to have substantiated cases result from information that is not factual in the allegations and cases that are unsubstantiated when all of the facts in the allegations are accurate. If the case contains more than one allegation, there should be a conclusion for each of the allegations investigated. If the investigator is unable to reach a conclusion regarding an allegation yet internal control weaknesses or compliance issues are identified, then the investigator is required to state this in the report and to provide recommendations to address these issues.

Any Corrective Actions Planned or Taken

Unless there is a compelling reason not to do so, reports should be submitted after corrective action has been recommended and agreed to by management. Corrective action need not be necessarily taken as of the report date since some corrective actions are implemented over a period of time. Investigators should therefore obtain a commitment as to when corrective action will be taken.

Type of Disciplinary Action

It is not the investigator’s responsibility to recommend any specific disciplinary action or to follow-up to determine the type of disciplinary action taken. Any disciplinary action taken should not be included in the report. If disciplinary action is to be taken, the report can include a statement that appropriate disciplinary action was or will be taken, but should not contain the specific outcomes. This policy is to protect the target of the investigation.

Any Internal Control Weaknesses Identified and Corrected

The report should address the conditions that gave rise to any substantiated fraud, waste, or abuse. The report should address any weaknesses in the system of internal controls and the recommendations to correct those weaknesses. Unlike the disclosures concerning disciplinary actions referred to above, the disclosures about internal control weaknesses and recommended corrective actions should be specific.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

Cost of the Investigation

The report should contain a summary of the cost of the investigation. This summary should include all investigative costs for all phases of the investigation as practical. The reported cost does not need to be broken down or include any detail, but the investigator should have a documented basis for the reported costs included with the investigative notes. Fringe benefits and/or administrative costs should not exceed 35% of the direct labor cost to conduct the investigation. Reasonable estimates are acceptable.

Funds Identified

The report should contain the amount of funds identified as a result of substantiating the allegation and taking corrective action, that is, the amount directly attributed to the fraud, waste, or abuse. The amount of funds involved should be broken down and identified to include three components:

Finding - Amount of fraud, waste, or abuse identified. For example, this may be the value of leave abused.

Recovery – The funds that were recovered as a result of the investigation. For example, this may be as a result of restitution. Restitution may include leave slips processed for back leave owed and payment made by the subject for state resources taken or a state vehicle driven for personal use,

Savings – The amount of savings to the Commonwealth as a result of implementing recommended corrective actions. This amount may be estimated. The basis for these estimates should be documented in the investigative notes. There should also be an estimate of the time frame for any reported future savings, that is, over what period will the savings be realized.

Case Closed

A case investigated by an agency Internal Audit Department or Hotline Coordinator is considered closed when the DSIA has received, reviewed, and accepted the investigative report. A case investigated by the DSIA is considered closed when a response to the investigative report has been received and accepted by the DSIA. However, in investigations where recommendations for corrective action were made, the Internal Audit Director, the Hotline Coordinator, or the DSIA has an obligation to follow-up, preferably within 6 to 9 months, to determine that the recommended corrective actions have been taken by management.

Quarterly Report

Once a quarter, the DSIA will send internal audit departments a list of open cases that are over 60 days old. Internal audit departments are asked to review that list and identify inconsistencies between their records and the DSIA's. Such discrepancies may include open cases the agency did not receive or cases for which a report was submitted but has not been closed by the DSIA.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

**When Fraud
Has Occurred,
Agency Head's
Responsibility**

In those instances where there is a reasonable possibility that fraud has occurred as defined above or as described in *Code of Virginia*, Section 30-138, the agency head or his designee is required to notify the Auditor of Public Accounts and the Department of State Police. The DSIA should also be notified if an investigation is referred to either entity.

DIVISION OF STATE INTERNAL AUDIT Policies and Procedures Manual	TOPIC NO. 1007
Topic: State Employee Hotline – Reporting	Date: January 2012

Documentation and Confidentiality

Information Maintenance and Ownership

All information supporting investigations and any remedial action taken shall be maintained at the agency. All such information, documentation, etc. is the property of the DSIA and shall be so identified. The DSIA may request that supporting information accompany formal reports. All supporting documentation and information must be stamped or identified as “Confidential State Employee Hotline Documents.”

Investigations, interviews, and information relating to investigations should not be shared, discussed, or given to anyone without an absolute need to know.

Information Requests

If an agency should receive a request for information regarding a Hotline investigation, either through the Freedom of Information Act or other means, the requestor should be referred to the DSIA. Under no circumstances should the agency provide any information to the requestor. Doing so could seriously jeopardize the integrity of the Hotline and the investigative techniques used.

Confidentiality Stamp Use

Policy

Strict confidentiality must be maintained over the entire Hotline investigation. You should ensure that all documents, work papers, notes, and reports associated with the investigation are marked **Confidential State Employee Hotline Documents**. Electronic records should include a header or footer with this statement. The only exceptions to this policy are the Summary reports provided to the governing board or agency management. They should not be marked as shown above.

DSIA Contact

Questions?

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