



## SPECIAL INVESTIGATIVE UNIT



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## Topics

- Intro
- Case Example: School District
- Case Example: Police Department
- Questions



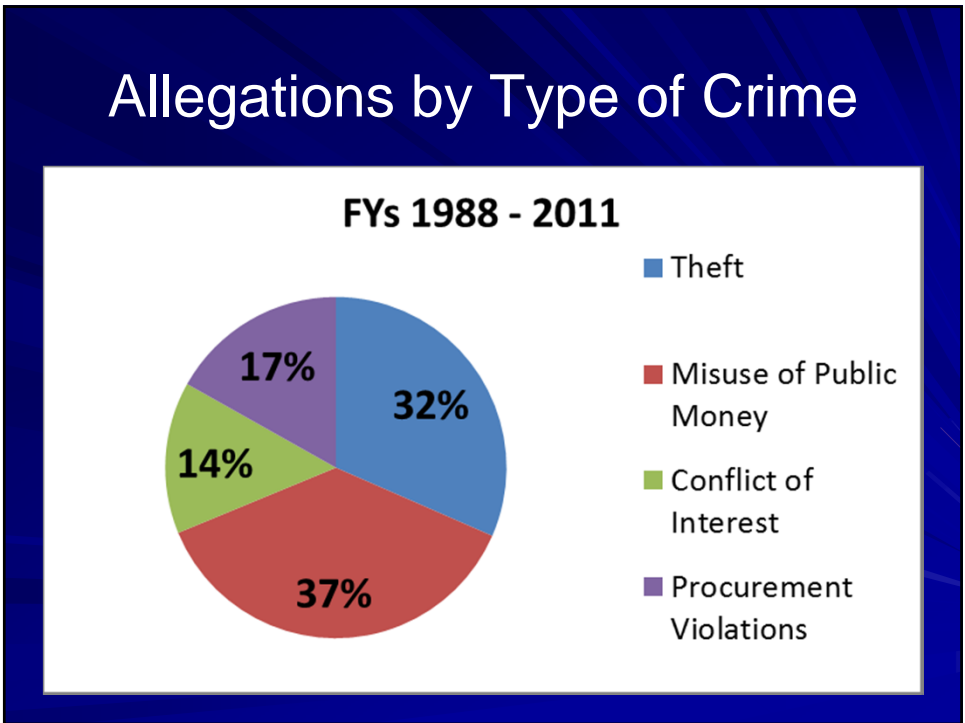
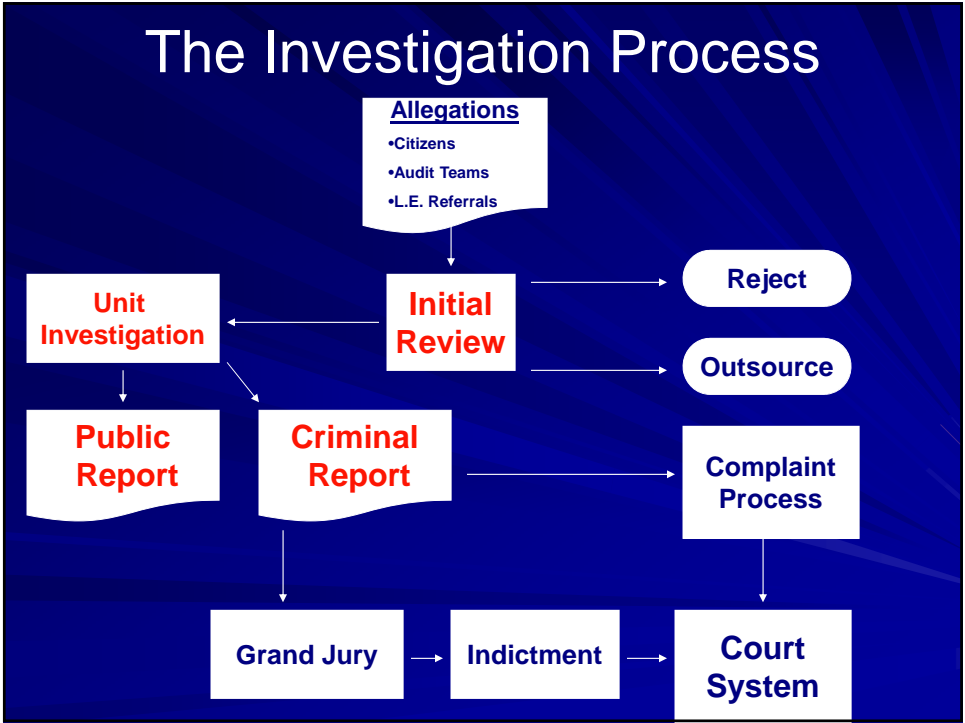


- Legislative agency
- Audit and oversight of state entities
- Up to 200 reports annually
- Four operating divisions:
  - Performance Audit
  - School Audits
  - Accounting Services
  - Financial Audit
    - Special Investigative Unit

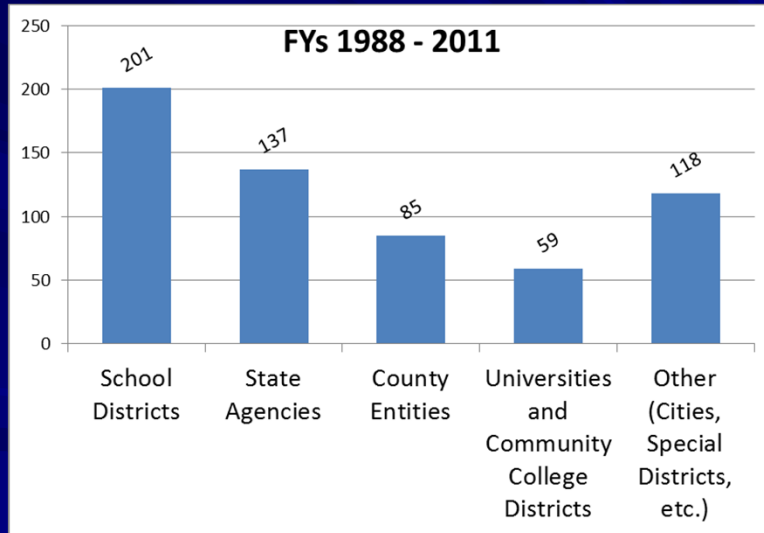
## Special Investigative Unit

- Established 1988
- Staff credentials: CFE, CPA
- Fraud, waste, abuse of public monies
  - Conduct investigations
  - Issue reports
  - Assist law enforcement agencies
  - Serve as a resource for other divisions





## Allegations by Type of Entity



## Results of our Investigations

| FYs 1988 - 2011                     |                     |
|-------------------------------------|---------------------|
| Investigations Completed            | 82                  |
| Criminal Indictments                | 73                  |
| Civil Penalties                     | 8                   |
| Theft and Misuse                    | \$14,330,046        |
| Conflict and Procurement Violations | \$20,089,230        |
| <b>Total</b>                        | <b>\$34,419,276</b> |

## Case Example: School District



## Internal Control Weaknesses

■ “Tone at the Top”



■ Collusion

- 2 Board Members, Superintendent, &  
Business Manager

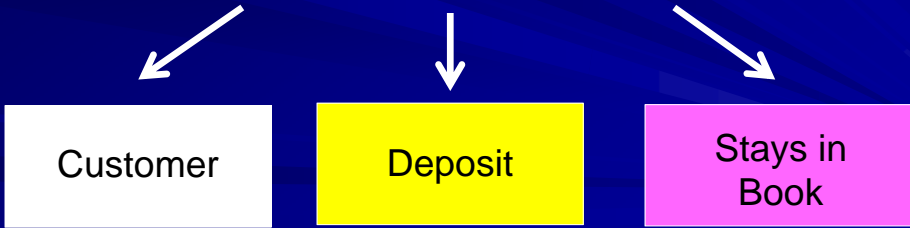
■ Segregation of Duties never established

- Credit card statements, receipts,  
reconciliations, and payments

# Case Example: Police Department



|                                    |                                   |                     |
|------------------------------------|-----------------------------------|---------------------|
| <b>RECEIPT</b>                     |                                   | No. <b>123456</b>   |
| DATE _____                         |                                   |                     |
| FROM _____                         | \$ _____                          |                     |
|                                    |                                   | _____ DOLLARS       |
| <input type="checkbox"/> FOR RENT  |                                   |                     |
| <input type="checkbox"/> FOR _____ |                                   |                     |
| ACCT. _____                        | <input type="radio"/> CASH        | FROM _____ TO _____ |
| PAYD. _____                        | <input type="radio"/> CHECK       |                     |
| DUE _____                          | <input type="radio"/> MONEY ORDER |                     |
|                                    | <input type="radio"/> CREDIT CARD |                     |
|                                    | BY _____                          | A-2524<br>T-49025   |



## Internal Control Weaknesses

- Segregation of Duties
- Trusted employee



## Questions?



<http://www.azauditor.gov/pastIR.htm>

[www.acfe.com](http://www.acfe.com)

[www.cfe-arizona.org](http://www.cfe-arizona.org)

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