

Washington State Auditor's Office
Whistleblower Report

Western Washington University
Whatcom County

Report No. 1002068

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August 31, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

August 31, 2009

Western Washington University
Bellingham, Washington

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. WB 09-035 for Western Washington University.

The State Auditor's Office received an assertion of improper governmental activity at the University. This assertion was submitted to us under the provisions of Chapter 42.40 of the Revised Code of Washington, the Whistleblower Act. We have investigated the assertion independently and objectively through interviews and by reviewing relevant documents. This report contains the results of our investigation.

Questions about this report should be directed to Investigator Cheri Elliott at (360) 725-5358 or Director of Special Investigations Jim Brittain at (360) 902-0372.

BRIAN SONNTAG, CGFM
WASHINGTON STATE AUDITOR

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cc: Ms. Kim Herrenkohl, Director of Internal Audit

Investigation Summary

State of Washington Western Washington University Whatcom County

ABOUT THE INVESTIGATION

On December 24, 2008, the State Auditor's Office opened an investigation into an assertion that the Dance Program is using course fees and student activity fees to pay instructor salaries. The assertion also stated course fees were used to pay for activities unrelated to the courses for which the fees were collected.

ASSERTION AND RESULTS

A Western Washington University Fine and Performing Arts instructor is using student activity fees and course fees contrary to state law and University policy.

We found reasonable cause to believe an improper governmental action occurred. However, the activity began prior to the above-referenced instructor's involvement with budget issues. The instructor, now the Acting Director, has made changes to correct the condition.

During our investigation we reviewed documents and interviewed witnesses.

We found the Department-Related Activities Committee (DRAC) develops a list of requests for money from services and activity fees. Committee members include representatives from various University programs such as music and theater. The DRAC Coordinator then develops a budget proposal and takes it to the Services and Activities Fee Committee, which receives proposals from other areas such as athletics and the recreational center. The latter Committee votes on the proposals and the approved ones are forwarded to the Board of Trustees for final approval. Once the proposed budgets have been approved, DRAC then makes the allocations to its members based on their individual proposals.

According to University policy, course fees are to be used to support the course. Witnesses stated that for many years the Dance Program fees have been used to benefit the entire Dance Program, not to support each particular course within the Program.

For example, some of the dance courses use accompanists while others use recorded music, yet all fees collected for individual courses were used to pay accompanists.

The Acting Director stated that when she took over she was told by the former Director that the course fees could be used to support the program wherever needed. The Acting Director stated after further research she found that was not the case. She stated

for that reason, she has recently reassessed course fees to represent the costs associated with individual courses. Accordingly, the Program Coordinator is in the process of developing codes to distinguish expenditures for each course to allow for complete and accurate accountability.

With regards to the expenditures from DRAC and course fees, the Acting Director stated she and the Coordinator found course fees were used to pay staff stipends. Because these stipends were for nonacademic work, they should have been paid from DRAC. This money has been paid back to the course fees. Performance-related expenses can be paid from DRAC because the performances are not tied to academics and are open to the public.

We also found, contrary to University policy, money from course fees was used to pay faculty instructors. Regarding these expenditures, the Acting Director reiterated her original understanding that course fees could be used to support the program as needed. In one specific instance, responsibilities that usually were those of the former Director's were picked up by another instructor for two quarters. The Acting Director received approval from the Dean to pay the instructor from course fees, with the understanding this would be a one-time occurrence.

Another instructor, whose responsibilities have included the supervision and training of accompanists and performing as an accompanist, has received most of his salary from course fees. However, now that the Acting Director is aware of how the funds should be spent, the instructor has been told he will no longer be paid from the course fees except when he is the accompanist. The Dean approved funding his position for this past year using course fees.

We found reasonable cause to believe an improper governmental action occurred.

UNIVERSITY'S PLAN OF RESOLUTION

We appreciate recognition by the State Auditor of the current WWU Program Director's expeditious responses to rectify this situation soon after she assumed the director position. Because funds are no longer being used inappropriately, we do not believe corrective action is required in this particular situation.

However, during the coming academic year we will take the following actions to reduce the likelihood of similar misunderstandings:

- 1. Update our online guidance for department chairs and program directors so that they are alerted to the correct interpretation of the University's course fees policy.*
- 2. Work with our Student Government and the Services and Activities Fee Committee to encourage their progress on a planned update of the Department-Related Activities Committee (DRAC) policy which should make some critical distinctions clearer.*
- 3. Alert Western's deans to this complaint and discuss its implications for their supervision of department chairs.*

In addition to the above specific actions, please know that Western's internal auditor is scheduled to review compliance with these policies in the next two years. Western Washington University also has an ongoing policy review procedure through which current policies are continuously improved and clarified.

Western Washington University is committed to the highest level of integrity, so we are appreciative of the assistance of your office in helping us to clarify this situation and confirming that our present use of student fees are consistent with the law and our own policies.

AUDITOR'S REMARKS

We thank University officials and personnel for their assistance and cooperation during the investigation.

INVESTIGATION CRITERIA/POLICIES

We came to our determination in this investigation by evaluating the facts against the criteria below:

RCW 28B.15.041, Services and activities fees-defined, states:

The term "services and activities fees" as used in this chapter is defined to mean fees, other than tuition fees, charged to all students registering at the state's community colleges, regional universities, The Evergreen State College, and state universities. Services and activities fees shall be used as otherwise provided by law or by rule or regulation of the board of trustees or regents of each of the state's community colleges, The Evergreen State College, the regional universities, or the state universities for the express purpose of funding student activities and programs of their particular institution. Student activity fees, student use fees, student building use fees, special student fees, or other similar fees charged to all full time students, or to all students, as the case may be, registering at the state's colleges or universities and pledged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing or installing any lands, buildings, or facilities of the nature described in RCW 28B.10.300 as now or hereafter amended, shall be included within and deemed to be services and activities fees.

Western Washington University Policy U1400.03, Establishing and Changing Course and Lab Fees, states:

1. Departments May Establish a Course or Lab Fee to Cover the Costs of Goods and Services Related to a Specific Course in the event that such costs are not covered by State Funds or Student Fees.

In order to be established, the fee must meet at least one of the following criteria:

- a) Cover the cost of consumable materials used by the student to make items in class which will be retained by the student.
- b) Cover the cost of individual student's specific expenses (e.g., artist models, technicians) which are unique to the student's course work activities.
- c) Cover the cost of supplies and materials which are required in the course and are being provided directly to students for convenience and/or economy purposes.
- d) Cover the cost of course-specific equipment repair and/or replacement. Equipment repair and/or replacement costs may be shared with other courses.
- e) Cover the cost of field trips and related cost.

Contacts

Washington State Auditor

Brian Sonntag, CGFM sonntagb@sao.wa.gov (360) 902-0360

Director of Special Investigations

Jim Brittain, CPA brittaij@sao.wa.gov (360) 902-0372

Deputy Director of Special Investigations

Kim Hurley, CPA hurleyk@sao.wa.gov (360) 725-5352

Whistleblower and Hotline Program Coordinator

Julie Cooper cooperj@sao.wa.gov (360) 902-0377

Investigators

Sandy Miller millers@sao.wa.gov (360) 902-0378

Cheri Elliott elliottc@sao.wa.gov (360) 725-5358

Tracy Aga agat@sao.wa.gov (360) 725-5336

Director of Communications

Mindy Chambers chamberm@sao.wa.gov (360) 902-0091

Public Records Officer

Mary Leider leiderm@sao.wa.gov (360) 725-5617

Main phone number (360) 902-0370

Toll-free hotline for reporting government waste, efficiency (866) 902-3900

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