



CALIFORNIA STATE AUDITOR

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FACT SHEET

Date: December 3, 2009

Report: I2007-1158

The California State Auditor released the following report today:

California State University, Chancellor's Office

Failure to Follow Reimbursement Policies Resulted in Improper and Wasteful Expenditures

BACKGROUND

The California Whistleblower Protection Act authorizes the Bureau of State Audits (bureau) to investigate allegations of improper governmental activities by agencies and employees of the State. After the bureau received an allegation that a high-level official at the California State University (university), Chancellor's Office, had claimed and collected expense reimbursements that he was not entitled to receive, we launched an investigation.

KEY FINDINGS

Our investigation of the university official's improper expense reimbursements revealed the following:

- The official received \$152,441 in improper expense reimbursements over a 37-month period from July 2005 through July 2008. The improper reimbursements included expenses for unnecessary trips, meals that exceeded the university's reimbursement limits, the official's commuter expenses between his home in Northern California and the university's headquarters in Long Beach, living allowances, home office expenses, duplicate payments, and overpayments of claims.
- The official consistently failed to follow university policies in submitting requests for reimbursements.
- The official's supervisor and the university failed to adequately review the official's expense reimbursement claims and follow long-established policies and procedures designed to ensure accuracy and adequate control of expenses.

As a consequence, the university allowed the official to incur expenses that were unnecessary and not in the best interest of the university or the State.

KEY RECOMMENDATIONS

To ensure that the university recovers improper payments and improves its review process over travel claims submitted for processing, it should do the following:

- Recover from the official the duplicate payments and overpayments.
- Reexamine its preapproval and reimbursement process for all high-level university employees, and require staff at all organizational levels to submit correct and complete claims along with detailed documentation supporting those claims, subject to review by university accounting staff.
- Terminate and expressly prohibit agreements that allow employees to work at a location other than their headquarters.
- Modify relevant policies to, among other things, specify defined monetary limits for what is reimbursable.

