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NEWS RELEASE

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FOR RELEASE February 8, 2013, 10:00 a.m.

Auditor of State David A. Vaudt today released a report on a review of certain Unemployment Insurance (UI) payments made by Iowa Workforce Development (IWD) during the period January 1, 2006 through March 15, 2011. The review was conducted in conjunction with the audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa* to determine if sufficient internal controls and oversight procedures have been implemented over UI. The review was performed following an investigation conducted by IWD regarding improper disbursements issued by a former Workforce Advisor, Linda Pippen, between June 1, 2008 and November 30, 2009. Ms. Pippen was employed at the IWD office in Cedar Rapids.

Vaudt reported IWD personnel did not begin an investigation until May 24, 2010 although the initial concern was identified by IWD on November 2, 2009. In addition, IWD did not notify the Office of Auditor of State as required by section 11.2(2) of the *Code of Iowa*. A representative of IWD outside the UI Division contacted the Office of Auditor of State on July 19, 2010 regarding the alleged misappropriation of funds. After the notification, IWD repeatedly denied the Office of Auditor of State access to information necessary to pursue an investigation of the concern identified.

IWD's investigation reviewed all activity specifically related to the improper disbursements issued by Ms. Pippen. However, the IWD investigation did not review other transactions to determine if there were additional improper payments or review the UI payment process to determine if any improvements were needed to ensure unemployment benefits are properly disbursed. As a result, the UI application and payment process, as well as the procedures for changing information in a claimant's UI account, were reviewed by the Office of Auditor of State. Vaudt also reported certain UI payments directed to financial institutions based outside Iowa were selected for testing.

Vaudt reported there are 18 eligibility requirements individuals must meet to receive UI and applications can be completed via the internet, through the employer or in person at a Workforce Development Center. Upon filing an initial UI claim, the claimant begins a benefit period of 1 year during which the claimant can be paid for up to 39 weeks. In addition, Iowa claimants could qualify for up to 3 benefit tiers under Federal UI, or Emergency Unemployment Compensation (EUC), which is administered by IWD. To receive UI/EUC payments for which they are eligible, claimants must file a weekly claim with IWD via the internet or by touch-tone telephone. To submit a claim, claimants must answer specific questions, including whether they worked during the week for which they are claiming benefits, the gross wages for the week, current work status and the number of employers

contacted. Although IWD requires the job contact information be available upon request, no independent verification of the information submitted electronically by the claimants is performed.

Most claimants receive payment through deposit to the Iowa EPPICard, a pre-paid debit card, unless direct deposit to a bank account is requested. Claimants can also request deposit to a reloadable debit card. In addition, a small percentage of claimants receive State warrants. If claimants choose to have their payments deposited to an account other than the Iowa EPPICard, they must provide the routing number for the account to which they want their benefit payments directed. If a change to the routing number is needed, claimants must sign a Direct Deposit Change Form. Vaudt reported the Direct Deposit Change Form could not be located for 6 of 44 claimants tested. As a result, it was not possible to determine if the changes made to the claimants' accounts were legitimate. Currently, IWD mails a notice to claimants for any change made to their UI account to obtain confirmation the change was legitimate. However, this procedure was not implemented until June/July 2011.

If a claimant does not file a weekly claim, his/her UI account is deactivated. However, if he/she did not claim the full number of weeks he/she was eligible for, the unclaimed weeks remain in the inactive UI account. If a claimant wishes to subsequently receive benefits and has only worked for 1 employer during the previous 6 months, the claimant may reactivate the existing account via telephone. If the claimant worked for more than 1 employer or there is a problem, the claimant is instructed to contact the local IowaWORKS Center.

IWD performs several comparisons to verify claimant information. All new UI claims are compared to the records of the Social Security Administration. In addition, all active claims are compared to the state and national directories of new hires each week to determine if a claimant has returned to the workforce. However, there is no assurance the directories are complete. IWD also performs a quarterly comparison of reported wages from employers to the number of weeks claimed by an individual. However, not all claimants are included in this comparison. According to a representative of IWD, the criteria for this comparison are established at the discretion of the UI Manager located in Des Moines. In addition, not all claims identified as a result of the comparison are investigated. The UI Manager reviews the list, determines which claims will be investigated and assigns those claims to an IWD investigator.

The IWD representative also stated the quarterly comparison relies heavily on the information returned from employers. Because employers are not penalized for not providing the information to IWD, many employers do not respond to IWD's request. In addition, because there is no penalty for not reporting information to IWD, many small businesses do not submit the information to IWD.

Vaudt reported the review verified the \$37,248.19 of improper disbursements identified by IWD's investigation and identified an additional \$1,177.50 of improper disbursements. However, because sufficient supporting documentation was not provided by IWD, \$5,156.73 of improper disbursements identified by the U.S. Department of Labor Office of Inspector General and included in IWD's investigation could not be verified. Of the total of \$43,582.42 identified, \$38,425.69 was

deposited to 3 RushCards, which are reloadable debit cards, in the possession of Ms. Pippen and \$5,156.73 was deposited to either Ms. Pippen's personal bank account or an EPPICard in the possession of Ms. Pippen. Vaudt also reported the \$43,582.42 of improper disbursements identified was comprised of \$41,704.92 of State UI payments and \$1,877.50 of Federal Additional Compensation (FAC), a program which was federally funded and administered by IWD. FAC provided a supplemental payment of \$25 each week to an individual eligible for UI payments.

Vaudt reported the \$38,425.69 deposited to the RushCards resulted from Ms. Pippen redirecting UI payments for 7 individuals, including her husband, who returned to work and became ineligible for UI benefits. Ms. Pippen had the access and ability to record changes to an individual's claim on the UI system, including financial institution routing numbers and account numbers. Ms. Pippen changed the routing number and account number listed on the 7 individuals' inactive UI accounts to direct payments to 1 of 3 RushCards she purchased and continued filing the weekly claims to process the improper UI payments. None of the changes recorded were supported by a corresponding Direct Deposit Change Form. In addition, because the claimant notification was not implemented until June/July 2011, the individuals were not made aware changes had been processed on their UI account.

The remaining \$5,156.73 was additional overpayments issued to Ms. Pippen's husband who had a legitimate UI account. However, Ms. Pippen continued to file the weekly claims for Mr. Pippen after he returned to work. According to a representative of IWD, Ms. Pippen used multiple routing numbers and account numbers, including for her personal bank account and the EPPICard issued by the State, to deposit these overpayments.

Vaudt reported Ms. Pippen was subsequently arrested and charged with embezzling federal funds and aggravated identity theft, to which she pleaded guilty on December 28, 2011. On March 14, 2012, Ms. Pippen was sentenced to 4 years in federal prison and ordered to pay restitution of \$43,582.42, the total improper disbursements identified.

As a result of the procedures performed, Vaudt recommended IWD strengthen internal control over UI, such as expanding existing verification procedures, improving segregation of duties, ensuring employees do not process changes to a friend's or family member's UI accounts and ensuring proper supporting documentation is obtained and retained for changes made to routing numbers on UI accounts.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1160-3090-BE00.pdf>.

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**A REVIEW OF  
CERTAIN UNEMPLOYMENT INSURANCE PAYMENTS  
MADE BY  
IOWA WORKFORCE DEVELOPMENT  
  
FOR THE PERIOD  
JANUARY 1, 2006 THROUGH MARCH 15, 2011**

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Auditor's Transmittal Letter

To the Director of Iowa Workforce Development  
and Members of the Iowa Workforce Development Board:

In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2011 and in accordance with Chapter 11 of the *Code of Iowa*, we have conducted a review of certain Unemployment Insurance (UI) payments made by Iowa Workforce Development (IWD). The review was performed following an investigation conducted by IWD regarding improper disbursements issued by a former Workforce Advisor, Linda Pippen. We have applied certain tests and procedures to selected UI financial transactions for the period January 1, 2006 through March 15, 2011. Based on discussions with IWD personnel and a review of relevant information, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed the IWD report and the supporting documentation obtained from IWD to verify the completeness and accuracy of the information reported.
- (3) Reviewed selected UI payments to determine if sufficient supporting documentation was maintained for initial claims and any subsequent changes to claimant and/or payment information.

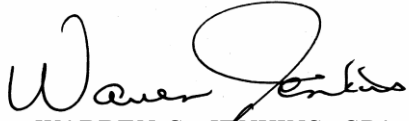
Based on these procedures, we determined IWD does not routinely perform independent verification of information submitted by UI claimants. In addition, the weekly and quarterly comparisons performed by IWD are based on incomplete data provided by employers. There are no penalties in place to deter employers from not responding to IWD's request. We have developed certain recommendations and other relevant information we believe should be considered by Iowa Workforce Development.

As a result of these procedures, we verified \$37,248.19 of improper disbursements identified by IWD's investigation and identified an additional \$1,177.50 of improper disbursements. However, because sufficient supporting documentation was not provided by IWD, we were unable to verify \$5,156.73 of improper UI payments identified by the U.S. Department of Labor Office of Inspector General (OIG). Ms. Pippen was subsequently arrested and charged with embezzling federal funds and aggravated identity theft, to which she pleaded guilty on December 28, 2011. On March 14, 2012, Ms. Pippen was sentenced to 4 years in federal prison and ordered to pay restitution of \$43,582.42, the total improper disbursements identified.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of Iowa Workforce Development, other matters might have come to our attention that would have been reported to you.

We extend our appreciation to the personnel of Iowa Workforce Development and the Division of Criminal Investigation for the courtesy, cooperation and assistance provided to us during this review.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

September 7, 2012



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## A Review of Certain Unemployment Insurance Payments

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### Background Information

The Unemployment Insurance Services Division (UI Division) of Iowa Workforce Development (IWD) administers Unemployment Insurance (UI) for the State of Iowa. UI is funded by employers covered by the Iowa Employment Security Law to provide temporary benefits for people who are able to and available for work and actively looking for work (unless waived), but are unemployed or working reduced hours through no fault of their own. Federal UI, or Emergency Unemployment Compensation (EUC), is administered by IWD for Iowa claimants but is federally funded. In addition, the Federal Additional Compensation (FAC) program was effective February 22, 2009 through December 7, 2010. FAC was a federally funded program which provided a \$25 supplemental payment for each week an individual was eligible for UI. Any individual receiving at least \$1 of UI during a given week also received FAC.

According to the “Facts About Unemployment Insurance” handbook, there are 18 eligibility requirements to receive benefits. Individuals must:

- be totally or partially unemployed,
- have worked and earned a certain amount of wages in work covered by UI in the last 15 to 18 months,
- have lost their job through no fault of their own,
- be able to work and available for work,
- be actively seeking work by in-person contact with employers, unless approved to send resumes by IWD,
- be registered for work unless waived,
- keep a record of work search contacts and provide a copy upon request,
- report any job offers or referrals refused,
- report if they quit or are fired from any job while claiming benefits,
- notify IWD if for any reason they move or leave the area for more than 3 working days,
- report all earnings before deductions when earned not when paid,
- notify IWD if they are currently enrolled or start school,
- notify IWD if they are receiving a private pension or workers’ compensation,
- understand if it becomes necessary for IWD to conduct a fact-finding interview to determine eligibility for benefits, they will be mailed a notice with the date and time of the interview,
- understand if a decision on any issue of eligibility for UI is appealed, the claim becomes public record,
- understand UI benefits are fully taxable income for federal and state income taxes,
- understand they may choose to have income taxes withheld from the benefit payment and
- understand attempting to claim and receive benefits fraudulently can result in loss of benefits, repayment of benefits, fines or imprisonment.

Individuals applying for UI may do so via the internet, through their employer or in person at a Workforce Development Center. During the period of our review, there were 57 Workforce Development Centers in 55 cities. Currently, there are 20 IowaWORKS Centers located in 19 cities across the state. In addition, the UI Division maintains a central office in Des Moines which approves and processes the UI claims, maintains all supporting documentation submitted and performs limited verification procedures on active UI claimants.

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## **A Review of Certain Unemployment Insurance Payments**

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Upon filing an initial UI claim, the claimant begins a benefit period of 1 year during which the claimant can be paid for up to 26 weeks. If an employer permanently closes, the claimant becomes eligible for an additional 13 weeks of UI, or a total of 39 weeks. In addition, Iowa claimants could qualify for up to 3 benefit tiers under the EUC program. Tier 1 allows for 20 weeks of EUC payments, Tier 2 allows for 14 additional weeks and Tier 3 allows for 13 additional weeks. Therefore, in addition to the 26 or 39 weeks of UI eligibility, an Iowa claimant could be eligible for up to 47 weeks of EUC during the same 1 year benefit period. Claimants can continue to receive EUC payments subsequent to the 1 year benefit period; however, claimants typically need to resubmit the UI claim after the benefit period expires.

To receive UI/EUC payments for which they are qualified, claimants must file a weekly claim with IWD via the internet or by touch-tone telephone. To submit their claim, claimants must indicate:

- whether they worked during the week for which they are claiming benefits and if the work was considered self-employment,
- the gross wages for the week,
- their current work status (i.e., still working, laid-off, fired or quit),
- any holiday pay, vacation pay, severance, wages in lieu of notice and/or separation or dismissal pay received,
- any private pension or military retirement received,
- whether they were ready, willing, able and available for work during the week for which they are claiming benefits,
- if they refused any job offers or job referrals,
- the number of employers contacted and
- at least 2 of the contacts made were in person.

Each claimant is required to make a minimum of 2 job contacts each week unless otherwise specified by IWD, including if the claimant is temporarily unemployed and expects to be recalled by the former employer in a reasonable period of time or if the claimant is in school or a training program. Job contacts must be made in person, via the internet, through on-line applications, mail or faxing resumes. Telephone calls are not acceptable. The claimant is required to keep a record of the job contacts, including date of the contact, company name, address, phone number and the name of the person contacted. In addition, the claimant must be prepared to provide the record to IWD personnel upon request. However, no additional verification procedures are performed of the information submitted electronically by the claimant.

Most claimants receive payment through deposit to the Iowa EPPICard, a pre-paid debit card, unless direct deposit to a bank account is requested. Claimants can also request deposit to a reloadable debit card, such as the RushCard administered by UniRush, LLC. In addition, a small percentage of claimants receive State warrants. Claimants provide the routing number for the account to which they want their benefit payments directed. If claimants need to change the routing number, they must sign a Direct Deposit Change Form. After the change has been made, the central office of the UI Division in Des Moines scans the form into a digital archive to maintain the supporting documentation. Currently, IWD mails a notice to claimants when a change is made to their UI account to confirm the change is legitimate. However, this procedure was not implemented until June/July 2011.

If a claimant does not file a weekly claim, his/her UI account is deactivated. However, if he/she did not claim the full number of weeks he/she was eligible for, the unclaimed weeks remain in the inactive UI account. If a claimant wishes to again receive benefits, he/she may reactivate the UI account. If the claimant only worked for 1 employer during the previous 6 months, the claimant may reactivate an existing account via telephone. If the claimant worked for more than 1 employer or there is a problem, the claimant is instructed to contact the local IowaWORKS Center.

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## A Review of Certain Unemployment Insurance Payments

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All new UI claims filed are compared to the records of the Social Security Administration (SSA). In addition, SSA notifies IWD if a social security number has been reported as a deceased individual. Any other discrepancies identified as a result of the comparison are investigated by IWD prior to the payment of benefits. In addition, new claims are reviewed by IWD staff and notifications are sent to the employers in the event the employers wish to appeal the claim. Also, all active claims are compared to the state and national directories of new hires each week to determine if a claimant has returned to the workforce. However, there is no assurance the directories are complete. For example, if an individual is laid off seasonally, the employer may not report them as a new hire when he/she returns to work. As a result, the individual would not be included in the state or national directory. If the comparison identifies a claimant who has returned to work, the claim is flagged and the UI Manager located in Des Moines assigns the claim to an IWD investigator at his discretion.

To provide further scrutiny of UI payments, a quarterly comparison is performed of reported wages from employers to the number of weeks claimed by an individual. The employers provide wages by employee and each employee's social security number (SSN), which is compared to the claimant's SSN recorded in the UI system. However, not all claimants are included in this comparison. According to a representative of IWD, the criteria for this comparison are established at the discretion of the UI Manager. The representative stated the comparison is often based on claimants who claimed and received 5 weeks of UI benefits in a calendar quarter who also received \$500.00 or more in wages reported by employers in that same quarter.

In addition, not all claims identified as a result of the comparison are investigated. The UI Manager reviews the list, determines which claims will be investigated and assigns those claims to an IWD investigator. The IWD representative also stated the quarterly comparison relies heavily on the information returned from the employers. Because there is no penalty to employers for not providing the information to IWD, many employers do not respond to IWD's request. In addition, because there is no penalty for not reporting the information, many small businesses do not submit information to IWD.

On November 2, 2009, IWD's quarterly comparison identified a claimant's name recorded in the UI system which did not match the name listed for the employee by the employer. At that time, it was determined the name and direct deposit information on the claimant's UI account were changed after the individual returned to work. Further investigation by IWD personnel determined the change had been made by Linda Pippen, a Workforce Advisor at the Workforce Development Center in Cedar Rapids. While the IWD fraud investigator notified his supervisor, the Investigation Manager, an IWD representative did not notify the Office of Auditor of State as required by section 11.2(2) of the *Code of Iowa*. See **Finding A**.

According to the IWD report, it is standard operating procedure to have a claimant who has come forward with a concern contact local law enforcement to initiate a potential identity theft claim prior to beginning an investigation into the discrepancy identified. Because the IWD investigator waited for the claimant to file a police report, which was not done until January 28, 2010, IWD's investigation was delayed approximately 3 months. However, according to a representative of IWD, although the claimant is advised to contact local law enforcement in the event his/her identity has been compromised, it is not standard operating procedure to delay an investigation until the claimant has done so. IWD is not prevented from conducting an investigation regarding potential improper payment of UI benefits if a claimant fails to contact law enforcement. As a result, it was not necessary to delay the investigation into Ms. Pippen's actions.

After IWD launched its investigation, IWD personnel determined the police investigation had been closed without success on February 25, 2010. On May 24, 2010, IWD's attorney contacted the Investigation Manager of the potential misappropriation and he started his own investigation into the incident. As a result of preliminary concerns identified during his investigation, Ms. Pippen was subsequently terminated on July 22, 2010.

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## **A Review of Certain Unemployment Insurance Payments**

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A representative of IWD outside the UI Division contacted the Office of Auditor of State regarding the alleged misappropriation of funds on July 19, 2010, substantially after IWD began investigating Ms. Pippen's actions. We usually conduct investigations concurrently with, yet independent from, any internal investigations or investigations by law enforcement. However, after the notification in July 2010, we were repeatedly denied access to information by IWD. On October 26, 2010, we were told we would not be given access to records until after the IWD investigation was complete. Despite our repeated requests, we did not receive the IWD report until December 9, 2010, after which we encountered further delays from IWD which resulted in procedures being performed well after IWD completed its report.

Because of the delays experienced, legal action was pursued against Ms. Pippen by the U.S. Attorney while we were conducting our procedures. We determined IWD's investigation only reviewed activity specific to Ms. Pippen. However, we believe it was necessary to review the internal controls over the UI process and test UI payments statewide to ensure other potential misappropriations, if any, were identified. As a result, the Office of Auditor of State reviewed IWD's financial management processes specifically for UI and performed the procedures detailed in the Auditor's Transmittal Letter for the period January 1, 2006 through March 15, 2011.

### **Review of Certain Unemployment Insurance (UI) Payments**

As previously stated, IWD's investigation included all activity specifically related to Ms. Pippen. However, the investigation did not review other transactions to determine if there were any additional improper UI payments issued or review the UI payment process to determine what, if any, improvements were needed to ensure UI benefits are properly disbursed. In addition, during discussions with IWD personnel, they did not acknowledge any weaknesses in the internal control over the UI process which would have allowed the improper payments to be issued. Therefore, as part of our procedures, we reviewed the UI application and payment process, as well as the procedures for changing information in a claimant's UI account.

In addition, because the RushCards identified by IWD's investigation were based out of New Jersey, we requested a payment history of all UI payments to routing numbers for financial institutions based outside the State of Iowa for the period January 1, 2006 through March 15, 2011. We received a spreadsheet from IWD which was the result of 2 data extractions which were then merged by IWD personnel. Based on a review of the spreadsheet provided by IWD, we identified payment amounts and/or payment patterns for which we obtained additional information. Of those, we selected a number of claimants for each pattern identified for testing. We reviewed the electronic supporting documentation maintained for each claimant selected and did not identify any additional improper UI payments. For each pattern identified, there are several legitimate reasons for its occurrence, as discussed in the following paragraphs. However, it was later determined the 2 data extractions had not been properly merged by IWD personnel, which resulted in unusual anomalies. This was taken into consideration when evaluating the results of our testing.

**Routing Numbers** – The spreadsheet provided by IWD contained 2 separate routing numbers, a pay routing number and a deposit routing number. While the 2 routing numbers were the same for most payments, we noticed several instances where the routing numbers had either been changed or were different. According to a representative of IWD, the pay routing number was the routing number used by the claimant for that particular payment and could be different for each payment and the deposit routing number was the routing number used by the claimant at the time the spreadsheet was generated. The representative also stated the claimant recertifies the pay routing number with each weekly claim.

In addition, an IWD representative we spoke with stated the reasons for changes to routing numbers on claimant accounts are as numerous as the individuals requesting a change to the routing numbers. Some of the reasons he identified include claimants:

- changing financial institutions,

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## A Review of Certain Unemployment Insurance Payments

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- directing their UI payments to a separate bank account or
- directing their UI payments to the Iowa EPPICard or another pre-paid debit card.

Of the 44 claimants tested, we were unable to locate supporting documentation authorizing routing number changes for 6 claimants. As a result, we were unable to verify if the routing number change was legitimate. According to a representative of IWD, retaining the Direct Deposit Change Form has not been emphasized in the past and the forms have notoriously not been uploaded to the digital archive.

**Multiple Payments** – We also tested 24 claimants who received multiple UI payments on the same date and did not identify any concerns related to these payments. According to a representative of IWD, multiple payments on a single day are most likely due to “accounting clean up.” In addition, he stated a claimant who is eligible for UI in 2 different states may receive multiple payments on the same day. For example, if a claimant is eligible for UI in both Iowa and Nebraska and has claimed all state UI in Nebraska, both the state UI and Federal EUC must be claimed and paid in Iowa before the Federal EUC can be claimed in Nebraska. Therefore, the claimant will receive all state UI in 1 check and all Federal EUC in another check.

**Inconsistent Payment Amounts** – We reviewed 24 claimants who received inconsistent UI payments from week to week. According to the IWD representative we spoke with, the main reasons UI payments would be inconsistent is if the claimant was only employed part-time with fluctuating hours or if the claimant did not initially claim the proper number of dependents. In addition, a payment amount could change during the benefits claim period as a result of a garnishment for child support or another obligation.

**Lump Sum Payments** – In addition, we reviewed 23 claimants who received a lump sum payment. According to the IWD representative we spoke with, there are several reasons this can occur, including:

- claimants who wait to file a claim in the event they are only unemployed a short time or
- UI claims which are contested by an employer and held until a resolution is reached, resulting in multiple weeks of UI being paid at 1 time.

As a result of the testing performed, we identified the following:

- Although a claimant must be prepared to provide the record of job contacts upon request, no additional verification procedures are performed of the information electronically submitted by the claimant. See **Finding B**.
- There is no assurance the state and national directories of new hires used for the weekly comparison of active claims are complete. See **Finding B**.
- Not all claimants are included in the quarterly comparison performed. The criteria for this comparison are established by the UI Manager. See **Finding C**.
- Not all claims identified as a result of the quarterly comparison are investigated. The UI Manager reviews the list and determines which claims will be investigated. See **Finding C**.
- The quarterly comparison relies heavily on the information returned from employers. Because there is no penalty to employers for not providing the information to IWD, many employers do not respond to IWD’s request. In addition, because there is no penalty, many small businesses do not submit information to IWD. See **Finding C**.
- The Direct Deposit Change Form could not be located for 6 of 44 claimants tested. See **Finding D**.

## A Review of Certain Unemployment Insurance Payments

### IWD Investigation

As previously stated, on July 19, 2010, a representative of IWD contacted the Office of Auditor of State regarding an alleged misappropriation of funds by Linda Pippen, a former Workforce Advisor at the Workforce Development Center in Cedar Rapids. As a Workforce Advisor, Ms. Pippen had the access and ability to change UI account information, including financial institution routing numbers and account numbers. See **Finding E**. On November 2, 2009, the quarterly comparison performed by IWD identified a social security number for which the individual's name in the UI system did not match the name in the employer's records. In addition, IWD personnel were able to determine the UI account had been changed by a staff member at the Workforce Development Center in Cedar Rapids. As a result of this discrepancy, an IWD investigator contacted the individual whose name did not match the UI account name. That individual reported to the Workforce Development Center in Cedar Rapids and presented appropriate identification. The individual also presented supporting documentation showing the UI payments were not deposited to his bank account.

As a result of the discrepancy identified, IWD conducted an investigation to determine if additional UI claimants had been affected. IWD's investigation identified 7 individuals, including Ms. Pippen's husband, whose UI accounts had been used improperly by Ms. Pippen and reported total improper disbursements of \$42,404.92. We obtained the supporting documentation used by IWD during its investigation and were able to verify the accuracy of \$37,248.19 of the improper disbursements reported by IWD. Because the OIG did not provide supporting documentation to IWD, we were unable to verify \$5,156.73 of improper disbursements identified by the OIG and reported by IWD.

As a result of our review, we identified additional improper disbursements of \$1,177.50 comprised of FAC payments not previously identified by IWD. **Table 1** summarizes the improper disbursements identified by IWD, the improper disbursements identified by the OIG and reported by IWD and the additional improper disbursements we identified. All improper disbursements are listed in **Schedule 1**.

**Table 1**

UI Claimant	Improper Disbursements			Total Identified
	Verified Amount**	Unverified Amount#	Additional Amount^	
A	\$ 13,104.00	-	-	13,104.00
B	7,220.00	-	500.00	7,720.00
C	286.45	-	-	286.45
D	2,014.50	-	175.00	2,189.50
E	11,070.00	-	375.00	11,445.00
F	1,620.16	-	127.50	1,747.66
Mr. Pippen	1,933.08	5,156.73	-	7,089.81
<b>Total</b>	<b>\$ 37,248.19</b>	<b>5,156.73</b>	<b>1,177.50</b>	<b>43,582.42</b>

\*\* - Identified by IWD.

# - Identified by OIG.

^ - Identified by the Office of Auditor of State.

After 6 of the 7 claimants identified stopped claiming legitimate UI benefits, Ms. Pippen changed the direct deposit routing information on their UI account and improperly claimed UI benefits from their accounts. The resulting deposits were made to a RushCard held in either her name, her husband's name or her daughter's name. For Mr. Pippen's UI account, the direct deposit routing information was changed several times during his claim cycle and Ms. Pippen used her

## **A Review of Certain Unemployment Insurance Payments**

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personal checking account, her personal savings account, the Iowa EPPICard and a RushCard while continuing to file improper weekly claims from her husband's UI account. We were unable to locate a signed Direct Deposit Change Form for any of the routing number changes identified. In addition, although IWD currently notifies claimants when a change is made to their UI account, this procedure was not implemented until June/July 2011. Therefore, the claimants were unaware the routing number on their accounts had been changed. The improper disbursements issued for each individual claimant are discussed in more detail in the following paragraphs.

**Claimant A** – On November 2, 2009, the quarterly comparison performed by IWD identified a social security number for which the individual's name, "S M Binji," in the UI system did not match the name listed for Claimant A in the employer's records. In addition, IWD personnel were able to determine the name on the UI account had been changed by a staff member at the Workforce Development Center in Cedar Rapids. As a result of this discrepancy, an IWD investigator contacted the individual whose name did not match the UI account name. The individual reported to the Workforce Development Center in Cedar Rapids and presented appropriate identification. The individual also presented supporting documentation showing the UI payments were not deposited to his bank account.

The IWD investigator instructed the claimant to file a report with local law enforcement in accordance with IWD policy. In January 2010, Claimant A filed a report with the Cedar Rapids Police Department. At that time, the detective attempted to determine where the funds were deposited. He was able to determine a reloadable debit card had been used but was unable to determine the identity of the cardholder. After substantial research, a member of the UI Division's legal team was able to determine the reloadable debit card identified was a RushCard administered by UniRush, LLC and issued a subpoena to obtain detailed information on the owner(s) of the debit card and the transaction history.

The subpoenaed information was received by IWD on July 15, 2010 and showed the RushCard identified was held in the name of Ms. Pippen's daughter and the UI payments issued by IWD corresponded to deposits shown in the transaction history of the card. As a result, Ms. Pippen was placed on administrative leave on July 16, 2010. During an interview with a Special Agent of the Division of Criminal Investigation on July 22, 2010, Ms. Pippen admitted she had created the name "S M Binji" using her daughter's initials and her daughter's boyfriend's name as a basis. During the interview, Ms. Pippen also admitted she had issued the improper UI payments identified. As a result, Ms. Pippen was terminated from employment on July 22, 2010.

IWD identified 50 improper UI payments issued by Ms. Pippen from Claimant A's account which total \$13,104.00. Of the \$13,104.00 identified, \$12,404.00 was UI payments and \$700.00 was FAC payments. Based on a review of supporting documentation, we agree with the amount IWD identified.

**Claimant B** – At the same time the discrepancy for Claimant A was being investigated, a similar discrepancy was identified for Claimant B after he submitted an appeal stating he did not receive the amount of UI payments identified on tax form 1099-G. Further investigation conducted by IWD determined the amount in question had been deposited to the same routing number as the improper UI payments identified for Claimant A. IWD also determined Claimant B's UI account had been changed by an employee within the Workforce Development Center in Cedar Rapids.

The previously subpoenaed information obtained by IWD showed the second RushCard identified was held in the name of Ms. Pippen's husband and the UI payments issued by IWD corresponded to deposits shown in the transaction history of the card. IWD personnel also noted Claimant B's last name only differed from Mr. Pippen's by a couple letters. As a result of its investigation, IWD identified 5 improper UI payments issued by Ms. Pippen from Claimant B's account which total \$7,220.00. Based on a review of supporting documentation, we identified 5 additional improper FAC payments totaling \$500.00 issued from Claimant B's account. In total, \$7,720.00 of

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## **A Review of Certain Unemployment Insurance Payments**

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improper payments was identified. IWD subsequently revised its amount to include the \$500.00 of improper FAC payments we identified.

**Claimant C** – When reviewing the transaction history for the RushCard held in Mr. Pippen’s name, IWD also identified a payment for \$286.45 which was improperly issued from the UI account of Claimant C. As with the previous 2 claimants, Ms. Pippen had changed the routing number on Claimant C’s account to match the routing number of the RushCard. Based on a review of supporting documentation, we agree with the amount IWD identified.

**Claimant D** – The previously subpoenaed transaction history for the RushCard held in Mr. Pippen’s name also included 4 payments totaling \$2,189.50 which were improperly issued from Claimant D’s UI account. As with the previous 3 claimants, Ms. Pippen had changed the routing number on Claimant D’s account to match the routing number of the RushCard. In addition, IWD personnel noted Claimant D’s last name only differed from Mr. Pippen’s by 1 letter. IWD had previously identified 2 improper UI payments totaling \$2,014.50. However, based on a review of the supporting documentation, we identified 2 improper FAC payments totaling \$175.00. Total improper payments issued from Claimant D’s account were \$2,189.50. IWD subsequently revised its amount to include the \$175.00 of improper FAC payments we identified.

**Claimant E** – After receiving the previously subpoenaed transaction histories from RushCard, Information Technology personnel within IWD’s UI Division were directed to run a query against IWD’s UI payment history, searching specifically for the routing numbers and account numbers of the 2 RushCards identified. As a result, IWD identified 28 improper UI payments totaling \$11,070.00 issued from Claimant E’s UI account. As with Claimants A through D, Ms. Pippen had changed the routing number on Claimant E’s account to match the routing number of a 3<sup>rd</sup>, previously unidentified, RushCard held in Ms. Pippen’s name. Based on a review of supporting documentation, we identified an additional 15 improper FAC payments totaling \$375.00 issued from Claimant E’s account. Total improper payments issued from Claimant E’s account were \$11,445.00. IWD subsequently revised its amount to include the \$375.00 of improper FAC payments we identified.

**Claimant F** – Because the RushCard used with Claimant E’s UI account had not been identified previously, IWD subpoenaed the transaction history for the account. The subpoenaed transaction history listed 2 improper payments totaling \$1,747.66 issued from Claimant F’s UI account. As with all other claimants, Ms. Pippen had changed the routing number on Claimant F’s account to match the routing number of the 3<sup>rd</sup> RushCard identified. IWD had previously identified 1 improper UI payment totaling \$1,620.16. However, based on a review of the supporting documentation, we identified an additional improper FAC payment totaling \$127.50. Total improper payments issued from Claimant F’s account were \$1,747.66. IWD subsequently revised its amount to include the \$127.50 of improper FAC payments we identified.

**Mr. Pippen** – As previously stated, Mr. Pippen had a UI account. Based on a review of Mr. Pippen’s transaction history, IWD determined the routing number had been changed several times by Ms. Pippen to direct improper UI payments issued while Mr. Pippen was employed. The improper UI payments were deposited to her personal checking account, her personal savings account, the Iowa EPPICard and 1 of the 3 RushCards previously identified. Using the subpoenaed transaction history for the RushCard held in Mr. Pippen’s name, we were able to verify 14 improper UI payments totaling \$1,933.08.

As previously stated, IWD did not provide sufficient supporting documentation for the \$5,156.73 identified by the OIG. As a result, we were unable to verify that amount. According to a representative of IWD, the OIG subpoenaed Ms. Pippen’s personal bank accounts and identified improper UI payments totaling \$5,156.73. However, the OIG did not provide IWD personnel with supporting documentation for the amount identified. Total improper payments issued from Mr. Pippen’s account were \$7,089.81.



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## A Review of Certain Unemployment Insurance Payments

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Ms. Pippen was subsequently arrested and charged with embezzling federal funds and aggravated identity theft to which she pleaded guilty on December 28, 2011. In the plea agreement, Ms. Pippen admitted to altering routing and account numbers in the UI accounts of the individuals identified. On March 14, 2012, Ms. Pippen was sentenced to 4 years in federal prison and ordered to pay restitution of \$43,582.42 as illustrated in **Table 1**.

### **Findings and Recommendations**

As part of our review, we evaluated the procedures used by Iowa Workforce Development to process unemployment insurance claims. An important aspect of internal controls is to establish procedures that provide accountability for assets susceptible to loss from error or irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen internal controls.

#### **Finding A – Non-compliance with Notification Requirements**

After identifying a potential concern with a UI account in November 2009, IWD did not notify the Office of Auditor of State as required by section 11.2(2) of the *Code of Iowa*, which states, “Departments shall immediately notify the auditor of state regarding any suspected embezzlement, theft, or other significant financial irregularities.” In addition, after notification had been made, IWD repeatedly denied access to information necessary to pursue investigation of the concern identified.

Recommendation – IWD should implement policies and procedures to ensure compliance with the requirements included in section 11.2(2) of the *Code* and cooperation with subsequent investigative efforts.

Response – At the time of the discovery of a potential embezzlement, the Lead Investigator for IWD immediately engaged and cooperated with the Office of Inspector General and the Division of Criminal Investigation to complete the investigation. IWD has taken advantage of the resources of the State Attorney General’s Office to help ensure all the appropriate officials are notified should similar circumstances arise. IWD will implement procedures and policies going forward to ensure compliance.

Conclusion – Response acknowledged. As part of the new procedures and policies, IWD should ensure the Office of Auditor of State is notified directly and immediately upon identifying “suspected embezzlement, theft, or other significant financial irregularities.” In addition, the notification should be made prior to performing any investigation.

#### **Finding B – Weekly Claims**

Claimants submit all information necessary to obtain their weekly UI payment via telephone or the internet. Although job contact information is to be available to IWD upon request, no additional verification procedures are performed for the information submitted electronically by the claimants.

In addition, although IWD performs a weekly comparison of active claims to the state and national directories of new hires, there is no assurance these directories are complete. As a result, the comparison may not identify a claimant who has returned to work.

Recommendation – IWD should consider whether periodic verification of the information electronically submitted by the claimant should be performed. In addition, because of the inherent problems identified with the state and national directories, IWD should consider whether additional procedures should be implemented to review active claims.

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## **A Review of Certain Unemployment Insurance Payments**

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Response – IWD has been working diligently with the U.S. Department of Labor to secure grants that will help enhance and improve our procedures using technology and business process analysis. IWD has several projects underway that specifically address work search reporting by claimants who are currently receiving benefits. In 2013, any claimant who is required to make work searches each week will have to file their weekly continued claims via the Internet. Complete information regarding each contact will have to be reported as a condition of eligibility. In addition, IWD is in the process of auditing the work search efforts of claimants who are drawing regular benefits through the Reemployment and Eligibility Assessment program. In 2012, over 10,000 audits were conducted. As well, the work search efforts of claimants on extended unemployment compensation (EUC) are subject to random weekly audits to verify the accuracy of the job contact.

Conclusion – Response accepted.

### **Finding C – Quarterly Comparison of UI Accounts**

Although IWD performs a weekly comparison of UI accounts to payroll information submitted by employers, we identified the following concerns:

- Not all claimants are included in this comparison. The criteria for the comparison are established at the discretion of the UI Manager.
- Not all claims identified as a result of the comparison are investigated. The UI Manager reviews the list, determines which claims will be investigated and assigns those claims to an IWD investigator.
- The comparison relies heavily on the information returned by employers. Because there is no penalty to employers for not providing the information to IWD, many employers do not respond to IWD's request. In addition, because there is no penalty for not reporting, many small businesses do not submit information to IWD.

Recommendation – IWD should consider whether all claimants should be subject to the quarterly comparison. If not, standardized criteria should be developed and implemented to ensure consistency. In addition, all claims identified as a result of the comparison should be investigated. IWD should also consider whether a penalty should be imposed to ensure employers submit the required information.

Response – The resources and technology to audit every claim in which wages are reported are not available. Consequently, to address the most egregious circumstances, management sets the parameters for the wage cross match audit to align with available resources. Federal law does not allow assessment of a penalty on an employer who fails to comply with a wage audit. IWD continues to impress upon the business community the importance of providing accurate response to the cross match audit. Currently, 60-70% of the businesses respond to the inquiries. Imposing a “penalty” for failing to respond would add an additional layer of enforcement, increasing operating costs, postage, appeals and collections.

Conclusion – Response acknowledged. We realize a penalty cannot be assessed for lack of compliance with a wage audit. In addition, if the imposition of a penalty on employers who fail to respond to the cross match audit is not a viable option, IWD should implement additional procedures to compensate for the lack of information and ensure all claimants are subject to review.

### **Finding D – Change Forms**

IWD's central office located in Des Moines scans all documents into a digital archive for storage. Of the 44 routing number changes we reviewed, 6 did not have proper supporting documentation in the digital archive. As a result, we were unable to determine whether the routing number change was legitimate.

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## **A Review of Certain Unemployment Insurance Payments**

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Recommendation – IWD should implement procedures to ensure all routing number changes are supported by proper documentation, such as requiring final approval of the change by a central office employee after the required form has been received.

Response – This process was improved greatly in July 2012 with the centralization of UI benefits services being managed by the Unemployment Insurance Service Center (UISC) in Des Moines. All forms are directed to one location, reviewed, sorted and sent for scanning. This has significantly reduced the potential for forms being misdirected. IWD has communicated with all staff that has the access level to change account information that a properly completed form is required for all changes and the consequences for non-compliance. As well, authorization to make these changes has been severely restricted.

Conclusion – Response accepted.

### **Finding E – Segregation of Duties**

An important aspect of internal control is the segregation of duties among individual employees from handling duties which are incompatible. The Workforce Advisor has the ability to change routing numbers on claimant accounts without review or approval.

Recommendation – IWD should implement procedures to ensure routing numbers changed by a Workforce Advisor are properly reviewed and approved by a supervisor. In addition, the supervisor should ensure supporting documentation is obtained to verify the change is not being made for the benefit of the IWD employee processing the change, such as a signed request from the claimant.

Response – In July of 2012, IWD took measures to centralize many of the UI functions and restrict authority for making changes to a smaller group of trained staff. In 2013, a programming change will be implemented that will send a confirmation notice to the address on file to verify changes to the routing or account numbers. As well, if an address and account number change has been initiated, a “flag” will be created to have UI management investigate. IWD has started investigating opportunities for third party identity authentication of claimants ensuring that only the owner of the information is making the appropriate changes. In 12-18 months, this will allow the Department to limit address, routing and account number changes to the owner of the information (claimant) or a very limited number of key UISC staff.

Conclusion – Response accepted.

## **Schedule**

## A Review of Certain Unemployment Insurance Payments

## Improper Unemployment Insurance Payments

## Per RushCard Statement

Claimant	Date	Amount	RushCard Account Number
A	05/20/09	\$ 75.00	XXXX-XXXX-4929-2915
A	05/20/09	1,329.00	XXXX-XXXX-4929-2915
A	05/28/09	25.00	XXXX-XXXX-4929-2915
A	05/28/09	443.00	XXXX-XXXX-4929-2915
A	05/29/09	25.00	XXXX-XXXX-4929-2915
A	05/29/09	443.00	XXXX-XXXX-4929-2915
A	06/12/09	50.00	XXXX-XXXX-4929-2915
A	06/12/09	886.00	XXXX-XXXX-4929-2915
A	06/19/09	25.00	XXXX-XXXX-4929-2915
A	06/19/09	443.00	XXXX-XXXX-4929-2915
A	06/26/09	25.00	XXXX-XXXX-4929-2915
A	06/26/09	443.00	XXXX-XXXX-4929-2915
A	07/02/09	25.00	XXXX-XXXX-4929-2915
A	07/02/09	443.00	XXXX-XXXX-4929-2915
A	07/10/09	25.00	XXXX-XXXX-4929-2915
A	07/10/09	443.00	XXXX-XXXX-4929-2915
A	07/17/09	25.00	XXXX-XXXX-4929-2915
A	07/17/09	443.00	XXXX-XXXX-4929-2915
A	07/24/09	25.00	XXXX-XXXX-4929-2915
A	07/24/09	443.00	XXXX-XXXX-4929-2915
A	07/31/09	25.00	XXXX-XXXX-4929-2915
A	07/31/09	443.00	XXXX-XXXX-4929-2915
A	08/07/09	25.00	XXXX-XXXX-4929-2915
A	08/07/09	443.00	XXXX-XXXX-4929-2915
A	08/14/09	25.00	XXXX-XXXX-4929-2915
A	08/14/09	443.00	XXXX-XXXX-4929-2915
A	08/21/09	25.00	XXXX-XXXX-4929-2915
A	08/21/09	443.00	XXXX-XXXX-4929-2915
A	08/28/09	25.00	XXXX-XXXX-4929-2915
A	08/28/09	443.00	XXXX-XXXX-4929-2915
A	09/04/09	25.00	XXXX-XXXX-4929-2915
A	09/04/09	443.00	XXXX-XXXX-4929-2915
A	09/11/09	25.00	XXXX-XXXX-4929-2915
A	09/11/09	443.00	XXXX-XXXX-4929-2915
A	09/18/09	25.00	XXXX-XXXX-4929-2915

**Schedule 1**

## A Review of Certain Unemployment Insurance Payments

## Improper Unemployment Insurance Payments

**Per RushCard Statement**

<b>Claimant</b>	<b>Date</b>	<b>Amount</b>	<b>RushCard Account Number</b>
A	09/18/09	443.00	XXXX-XXXX-4929-2915
A	09/28/09	25.00	XXXX-XXXX-4929-2915
A	09/28/09	443.00	XXXX-XXXX-4929-2915
A	10/02/09	25.00	XXXX-XXXX-4929-2915
A	10/02/09	443.00	XXXX-XXXX-4929-2915
A	10/09/09	25.00	XXXX-XXXX-4929-2915
A	10/09/09	443.00	XXXX-XXXX-4929-2915
A	10/15/09	25.00	XXXX-XXXX-4929-2915
A	10/15/09	443.00	XXXX-XXXX-4929-2915
A	10/23/09	25.00	XXXX-XXXX-4929-2915
A	10/23/09	443.00	XXXX-XXXX-4929-2915
A	10/30/09	25.00	XXXX-XXXX-4929-2915
A	10/30/09	443.00	XXXX-XXXX-4929-2915
A	11/06/09	25.00	XXXX-XXXX-4929-2915
A	11/06/09	443.00	XXXX-XXXX-4929-2915
Subtotal		<u>13,104.00</u>	
B	09/04/09	200.00	XXXX-XXXX-5357-4117
B	09/04/09	2,888.00	XXXX-XXXX-5357-4117
B	09/11/09	225.00	XXXX-XXXX-5357-4117
B	09/11/09	3,249.00	XXXX-XXXX-5357-4117
B	09/18/09	25.00	XXXX-XXXX-5357-4117
B	09/18/09	361.00	XXXX-XXXX-5357-4117
B	09/28/09	25.00	XXXX-XXXX-5357-4117
B	09/28/09	361.00	XXXX-XXXX-5357-4117
B	10/02/09	25.00	XXXX-XXXX-5357-4117
B	10/02/09	361.00	XXXX-XXXX-5357-4117
Subtotal		<u>7,720.00</u>	
C	10/20/08	<u>286.45</u>	XXXX-XXXX-5357-4117
Subtotal		<u>286.45</u>	
D	07/23/09	75.00	XXXX-XXXX-5357-4117
D	07/23/09	1,002.00	XXXX-XXXX-5357-4117
D	07/30/09	100.00	XXXX-XXXX-5357-4117
D	07/30/09	<u>1,012.50</u>	XXXX-XXXX-5357-4117
Subtotal		<u>2,189.50</u>	
E	11/07/08	360.00	XXXX-XXXX-1900-9133
E	11/14/08	360.00	XXXX-XXXX-1900-9133

## A Review of Certain Unemployment Insurance Payments

## Improper Unemployment Insurance Payments

## Per RushCard Statement

Claimant	Date	Amount	RushCard Account Number
E	11/21/08	360.00	XXXX-XXXX-1900-9133
E	11/28/08	360.00	XXXX-XXXX-1900-9133
E	12/04/08	360.00	XXXX-XXXX-1900-9133
E	12/12/08	360.00	XXXX-XXXX-1900-9133
E	12/19/08	360.00	XXXX-XXXX-1900-9133
E	12/26/08	10.00	XXXX-XXXX-1900-9133
E	01/15/09	720.00	XXXX-XXXX-1900-9133
E	01/16/09	360.00	XXXX-XXXX-1900-9133
E	01/23/09	360.00	XXXX-XXXX-1900-9133
E	02/18/09	1,080.00	XXXX-XXXX-1900-9133
E	02/20/09	360.00	XXXX-XXXX-1900-9133
E	03/12/09	25.00	XXXX-XXXX-1900-9133
E	03/12/09	620.00	XXXX-XXXX-1900-9133
E	03/16/09	25.00	XXXX-XXXX-1900-9133
E	03/16/09	360.00	XXXX-XXXX-1900-9133
E	03/20/09	25.00	XXXX-XXXX-1900-9133
E	03/20/09	360.00	XXXX-XXXX-1900-9133
E	03/27/09	25.00	XXXX-XXXX-1900-9133
E	03/27/09	360.00	XXXX-XXXX-1900-9133
E	04/03/09	25.00	XXXX-XXXX-1900-9133
E	04/03/09	360.00	XXXX-XXXX-1900-9133
E	04/10/09	25.00	XXXX-XXXX-1900-9133
E	04/10/09	360.00	XXXX-XXXX-1900-9133
E	04/17/09	25.00	XXXX-XXXX-1900-9133
E	04/17/09	360.00	XXXX-XXXX-1900-9133
E	04/24/09	25.00	XXXX-XXXX-1900-9133
E	04/24/09	360.00	XXXX-XXXX-1900-9133
E	05/01/09	25.00	XXXX-XXXX-1900-9133
E	05/01/09	360.00	XXXX-XXXX-1900-9133
E	05/08/09	25.00	XXXX-XXXX-1900-9133
E	05/08/09	360.00	XXXX-XXXX-1900-9133
E	05/15/09	25.00	XXXX-XXXX-1900-9133
E	05/15/09	360.00	XXXX-XXXX-1900-9133
E	05/22/09	25.00	XXXX-XXXX-1900-9133
E	05/22/09	360.00	XXXX-XXXX-1900-9133
E	05/29/09	25.00	XXXX-XXXX-1900-9133

**Schedule 1**

## A Review of Certain Unemployment Insurance Payments

## Improper Unemployment Insurance Payments

**Per RushCard Statement**

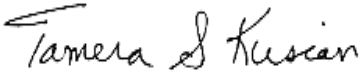
<b>Claimant</b>	<b>Date</b>	<b>Amount</b>	<b>RushCard Account Number</b>
E	05/29/09	360.00	XXXX-XXXX-1900-9133
E	06/05/09	25.00	XXXX-XXXX-1900-9133
E	06/05/09	360.00	XXXX-XXXX-1900-9133
E	06/12/09	25.00	XXXX-XXXX-1900-9133
E	06/12/09	360.00	XXXX-XXXX-1900-9133
Subtotal		<u>11,445.00</u>	
F	11/06/09	127.50	XXXX-XXXX-1900-9133
F	11/06/09	1,620.16	XXXX-XXXX-1900-9133
Subtotal		<u>1,747.66</u>	
Mr. Pippen	07/11/08	96.50	XXXX-XXXX-5357-4117
Mr. Pippen	07/23/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	08/01/08	234.94	XXXX-XXXX-5357-4117
Mr. Pippen	08/08/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	08/15/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	08/22/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	08/29/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	09/05/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	09/12/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	09/19/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	09/26/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	10/03/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	10/24/08	133.47	XXXX-XXXX-5357-4117
Mr. Pippen	10/31/08	133.47	XXXX-XXXX-5357-4117
Subtotal		<u>1,933.08</u>	
Additional improper disbursement identified by OIG		<u>5,156.73</u>	
		<u>\$ 43,582.42</u>	



A Review of  
Certain Unemployment Insurance Payments  
Staff

This review was performed by:

Annette K. Campbell, CPA, Director  
Jennifer Campbell, CPA, Manager  
Brian P. Schenkelberg, CPA, Senior Auditor II  
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