

OFFICE OF THE STATE INSPECTOR GENERAL



STATE FRAUD, WASTE AND ABUSE HOTLINE  
*POLICIES AND PROCEDURES MANUAL*



## Foreword

The State Employee Fraud, Waste and Abuse Hotline began operating in October 1992 and since that time has investigated over 17,000 cases. Through Executive Order Number 52 (2012), on October 9, 2012, the State Employee Fraud, Waste and Abuse Hotline was expanded to all citizens of Virginia, not just state employees, and its name was changed to the State Fraud, Waste and Abuse Hotline (Hotline). This 2020 edition of the *State Fraud, Waste and Abuse Hotline Policies and Procedures Manual (Manual)* reflects appropriate revisions consistent with Executive Order Number 52 (2012).

The *Manual* was created to assist internal auditors, agency heads and Office of the State Inspector General (OSIG) investigators and staff involved in Hotline investigations with meeting their responsibilities. It also provides guidelines for consistency in the management and performance of Hotline investigations among state agencies.

The *Manual* functions as a living document and is subject to change when necessary. We encourage feedback and suggestions for improvement from *Manual* users and further ask those who conduct Hotline investigations to inform OSIG regarding effective and beneficial investigative techniques or approaches, so the information may be shared with others.

Please direct your suggestions and comments to:

Investigations Manager

☎ 804-418-4842

✉ [COVHotline@osig.virginia.gov](mailto:COVHotline@osig.virginia.gov)

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# ***1000: State Fraud, Waste and Abuse Hotline—Overview***

## ***History***

In 1990, the Commission on Efficiency in Government recommended the establishment of a State Employee Fraud, Waste 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, which did not pass. However, the Governor authorized implementation of the State Employee Fraud, Waste and Abuse Hotline by issuing an Executive Order. This placed the State Employee Fraud, Waste and Abuse Hotline under the Governor's authority. The Department of the State Internal Auditor, which subsequently became the Division of State Internal Audit (DSIA), formerly a division of the Department of Accounts (DOA), implemented the State Employee Fraud, Waste and Abuse Hotline on October 1, 1992.

## ***Authority for the State Fraud, Waste and Abuse Hotline***

*Commonwealth of Virginia*

*Office of the Governor*

*Executive Order No. 52 (2012)*

*State Fraud, Waste and Abuse Hotline*

## **Importance of the Initiative**

Efficiency and economy in government and wise stewardship of taxpayer dollars demand constant vigilance to prevent fraud, waste and abuse in the operation of state government. The State Fraud, Waste and Abuse Hotline (formerly known as the State Employee Fraud, Waste and Abuse Hotline) was previously available only to state employees. Because of its usefulness in helping to ensure efficiency in state government, the Hotline will now be expanded and available to all citizens of the Commonwealth. 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 Inspector General to continue the anonymous State Fraud, Waste and Abuse Hotline (hereinafter referred to as the "Hotline") to encourage the state's employees and its citizens to report situations where fraud, waste or abuse may be occurring in Virginia's Executive Branch agencies and institutions, including institutions of higher education.

All citizens of the Commonwealth, including state employees, now have the opportunity to report possible instances of fraud, waste or abuse anonymously and without fear of retribution by using the Hotline. The State Inspector General shall be responsible for administering the Hotline. Through the Hotline, the State Inspector General 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 and all citizens of the Commonwealth 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, fax, and the Internet.
- Make appropriate efforts to publicize the availability of the hotline and ways of accessing it.
- 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 fraud, waste and abuse.
- Ensure that instances of potential criminal conduct are referred forthwith to the appropriate law enforcement agency.

The State Inspector General shall e-mail all state employees at least annually to advise them of the Hotline and other means of reporting such problems.

The State Inspector General, through the Executive Branch's network of internal auditing programs shall ensure that investigation and resolution activities are undertaken in response to allegations received through the Hotline.

The State Inspector General 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 Inspector General 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 Inspector General 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 Inspector General will conduct such follow-up as may be necessary to ensure that acceptable corrective actions are developed.

The State Inspector General 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 Inspector General 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 (*Code of Virginia* § 2.2-310). 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 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 Fifteen (2010), State Employee Fraud, Waste and Abuse Hotline.

### **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 9th day of October 2012.

/s/ Robert F. McDonnell, Governor

Attest:

/s/ Secretary of the Commonwealth

### ***The Office of the State Inspector General and the Hotline***

Under Executive Order No. 52 (2012), OSIG was designated to oversee the State Fraud, Waste and Abuse Hotline (Hotline) as of July 2012. OSIG administers the Hotline program with the assistance of statewide agency and institution Internal Audit Programs (IAP)s. The Hotline serves Executive Branch employees and Commonwealth of Virginia (Commonwealth) citizens. The agency Internal Audit Directors (IAD)s are responsible for conducting Hotline investigations. Agencies may not restrict, limit, interfere with or impede the conduct of Hotline investigations.

### **Objectives**

The Hotline's major objectives include providing a confidential method for state employees and citizens to report suspected occurrences of fraud, waste and abuse in state agencies and institutions; investigating such occurrences to determine their validity; and, if valid, making appropriate recommendations to eliminate these occurrences.

### **Toll-Free, Anonymous Number**

The Hotline's non-traceable, toll-free number (800-723-1615) protects the confidentiality of the caller, making the Hotline completely anonymous. Under no circumstances should anyone attempt to identify any person who contacts the Hotline. If a caller is identified or suspected, there will not be retribution or retaliation taken against the caller.

### **Cases**

Hotline cases are typically assigned by OSIG to the respective agency IAD. OSIG manages Hotline cases under certain circumstances as defined below in "What Hotline cases does the OSIG investigate?"

### **Responsibilities of internal auditors, agency heads and OSIG investigators and staff:**

- Ensure timely investigations and resolutions are undertaken in response to allegations received through the Hotline.
- Determine an allegation's authenticity.
- Work with agency IAPs to investigate and resolve reported allegations in the most cost-efficient manner.

- Ensure appropriate recommendations are made to rectify any substantiated situations of fraud, waste or abuse.
- Review investigative work to assure quality and thoroughness and to provide suggestions for improvement in future investigations.
- Provide training to investigators upon request.

**What Hotline cases does OSIG investigate?**

- All Hotline investigations involving improprieties allegedly committed by Executive Branch agency heads, other appointed officials and internal auditors.
- All Hotline investigations involving agencies that do not have an IAD.
- OSIG may participate in an agency’s Hotline investigation if the nature of the allegation warrants it, or if the agency head or IAD requests OSIG’s participation.
- Any investigations OSIG deems appropriate, necessary and within OSIG’s statutory scope.
- If OSIG receives a complaint from any source that alleges fraud, waste, abuse or corruption by a public institution of higher education or any of its officers or employees, the OSIG shall, but for reasonable and articulable causes, refer the complaint to the IAP of the public institution of higher education for investigation. If the complaint concerns the president of the institution or its IAP, the investigation shall be conducted by OSIG.

**Fraud, Waste and Abuse Definitions**

<b>Fraud</b>	<p>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 or is intended to deceive.</p> <p><i>Example: Falsifying financial records to cover up the theft of money or state property</i></p>
<b>Waste</b>	<p>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 due to inefficient or ineffective practices, systems or controls.</p> <p><i>Example: Unnecessary spending of state funds to purchase items that have no business purpose</i></p>
<b>Abuse</b>	<p>Excessive, or improper use or violation of a thing or policy, or employment of 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 nonfinancial settings.</p> <p><i>Example: Using a state vehicle for non-state business or failing to complete a leave form when absent from work</i></p>

## *Glossary of Abbreviations and Acronyms*

<b>AIG</b>	Association of Inspectors General
<b>APA</b>	Auditor of Public Accounts
<b>APSPM</b>	Agency Procurement and Surplus Property Manual
<b>CAPP</b>	Commonwealth Accounting Policies and Procedures
<b>DGS</b>	Department of General Services
<b>DHRM</b>	Department of Human Resource Management
<b>DOA</b>	Department of Accounts
<b>EDR</b>	Office of Employee Dispute Resolution
<b>IAD</b>	Internal Audit Director
<b>IAP</b>	Internal Audit Program
<b>OAG</b>	Office of the Attorney General
<b>OEES</b>	Office of Equal Employment Services
<b>OSIG</b>	Office of the State Inspector General
<b>OIG</b>	Offices of Inspector General
<b>USPS</b>	United States Postal Service
<b>VEC</b>	Virginia Employment Commission
<b>VITA</b>	Virginia Information Technologies Agency
<b>VRS</b>	Virginia Retirement System
<b>VSP</b>	Virginia State Police

### *Further Information*

#### **Retaliation**

Issues involving retaliation for calling the Hotline should be reported to OSIG for investigation. OSIG shall notify the Governor's Chief of Staff of all investigations involving retaliation and their outcomes.

#### **Calls Not Involving Fraud, Waste or Abuse**

Hotline callers with issues involving employee grievances or discrimination complaints are referred to EDR or OEES within DHRM. Additional examples of complaints not within the purview of OSIG include, but are not limited to, allegations against legislative or judicial branch employees, local governments and private citizens or entities. In such instances, callers are referred to the appropriate state components or authorities.

#### **Publicizing**

State employees are informed of the Hotline through annual announcements in a statewide e-mail to executive branch employees and Hotline posters on employee bulletin boards. Citizens and state employees have access to information about the Hotline through OSIG's website. Opportunities to publicize the Hotline are occasionally offered during television, radio, or press interviews of the State Inspector General or other staff as authorized by the State Inspector General.

#### **Contact Information**

Investigations Manager

☎ 804-418-4842

✉ [COVHotline@osig.virginia.gov](mailto:COVHotline@osig.virginia.gov)

# ***1001.1–1001.3: Document Security, Inquiries and Freedom of Information Act Requests***

## ***Policy 1001.1: Confidentiality and Security***

### **Confidentiality**

All Hotline investigations and inclusive documents require strict adherence to confidentiality standards.

- Hotline cases should not be discussed except by the IAD, OSIG-authorized personnel or others included on a “need-to-know” basis.
- Hotline Investigative/Complaint Report sheets shall not be shared, except among individuals conducting the investigation.
- The State Inspector General or designee is authorized to distribute or release Hotline reports.
- All documents, working papers, notes and reports dealing with an investigation shall be marked “Confidential State Fraud, Waste and Abuse Hotline Document.”
- Interviews and investigation information should not be shared, discussed or given to anyone who does not have a legitimate need for access.
- Strict confidentiality must be maintained throughout the entire Hotline investigation.

### **Physical Security**

All Hotline documents must be maintained in a secured environment. All custodians of Hotline documents, such as IADs and OSIG staff shall maintain all information supporting Hotline investigations in a secured location. All such information, documentation, etc. is the property of OSIG and shall be identified as such. OSIG may request that supporting information and documentation accompany formal reports.

### **Written Communications**

- Hotline reports and other sensitive documents should be transmitted electronically between OSIG and state agencies that possess digital encryption capabilities, or agreed upon password protected documents.
- Commonwealth inter-agency mail should never be used to send Hotline information/documents.
- Fax communications and correspondence via the United State Postal Service (USPS) are permitted under certain circumstances only after prior discussion with OSIG.

### Policy 1001.2: Answering Hotline Calls for Information

OSIG uses the following process when responding to phone calls requesting information about Hotline cases.

Step	Description
1	The OSIG Hotline Investigator answers phone call.
2	Caller asks the OSIG Hotline Investigator about a Hotline case.
3	The OSIG Hotline Investigator asks the caller to provide information about the case to confirm the caller is the original complainant. This should be information that would only be known to the original Hotline caller, such as the case number, the name of the subject, the nature of the allegation, etc.
4	Once the OSIG Hotline Investigator has confirmed the caller is the original complainant or the agency staff, the caller or the agency staff is advised of the case's status, either completed or in progress.
5	The OSIG Hotline Investigator cannot provide any further information by phone.
6	If the requestor asks for further information on a closed case, the OSIG Hotline Investigator should inform the caller how to make a request for case information under the Virginia Freedom of Information Act (FOIA).
7	If the caller continues to request information, the OSIG Hotline Investigator should refer the caller to the Investigations Manager.

### Policy 1001.3: Hotline FOIA Requests

Only OSIG is authorized to provide requestors information about Hotline cases. All such requests should be referred to OSIG, and should not be processed by other agencies. OSIG shall respond to such requests in compliance with the FOIA provisions of *Code of Virginia*, § 2.2-3700, et seq.

Under the *Code of Virginia* § 2.2-3700 and § 2.2-3705.3 (7), OSIG must disclose the following information on completed Hotline cases:

If ...	Then OSIG must disclose ...	Therefore the agency/institution report to OSIG must include ...
Corrective action taken against the subject	<ul style="list-style-type: none"> <li>• Name of agency</li> <li>• Identity of the person(s) who is/are the subject(s) of the complaint</li> <li>• Nature of complaint</li> <li>• Corrective actions taken</li> </ul>	<ul style="list-style-type: none"> <li>• All relevant information in Hotline responses.</li> </ul>
No corrective action taken against the subject	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.	Name, address, and phone number of the subject of the complaint for cases where no corrective action was taken, only if authorized by the subject of the investigation.

## Hotline FOIA Handling Process

OSIG handles all FOIA requests using the following procedures.

Step	Responsible Party	Actions Taken
1	OSIG Investigations Manager or designee	<ul style="list-style-type: none"><li>• Receives FOIA request and immediately notifies FOIA Responsible Officer and Deputy Inspector General.</li><li>• Informs the FOIA requester whether or not the case is closed.</li><li>• Informs FOIA requester for the request to be fulfilled, valid Virginia postal address, e-mail address, or fax number is required.</li></ul>
2	OSIG Investigations Manager and FOIA-Responsible Officer	<ul style="list-style-type: none"><li>• Reviews and redacts the case report based on whether or not the allegation was substantiated.</li><li>• The subject's name is redacted in cases that do not result in corrective action.</li><li>• Witnesses' names and identifying information are redacted.</li></ul>
3	FOIA Responsible Officer or OSIG Investigations Manager	<ul style="list-style-type: none"><li>• Prepares and mails, emails, or faxes the FOIA response within five business days unless otherwise agreed to by the requester.</li><li>• FOIA requests are handled in accordance with the <i>Code of Virginia</i> and responses are retained for three years as required by the Library of Virginia's <i>Records Management Policy</i>.</li></ul>

### Other Agencies and Hotline FOIA Requests/Inquiries

Agencies should not provide any information to requestors concerning Hotline calls or investigations under any circumstances. Doing so could seriously jeopardize the integrity and the confidential nature of the Hotline.

- If an agency receives a request for information regarding a Hotline investigation, the requestor should be referred to OSIG.
- Only OSIG is authorized to provide Hotline investigative reports to fulfill FOIA requests.
- Only OSIG is authorized to release investigative notes (working papers) from Hotline investigations to those authorized by the *Code of Virginia* § 2.2-3705.3 (7).

## 1002.1-1002.7: Call Procedures

### Policy 1002.1: Hotline Investigative/Complaint Reports (Case Write-up Sheets)

An OSIG Hotline Investigator documents Hotline calls on an Investigative/Complaint Report sheet (informally referred to as a “Case Write-up Sheet”).

Step	Description
1	Each OSIG Hotline Investigator is assigned 100 sequential case numbers to attribute to Investigative/Complaint Report forms.
2	The OSIG Hotline Investigator answers a Hotline call and interviews the caller to gather facts and information regarding the allegation.
3	The OSIG Hotline Investigator records the allegations and supporting information on the Hotline Investigative/Complaint Report sheet.
4	The OSIG Investigations Manager evaluates each case by reviewing the case write-up form and determining whether it should be assigned for investigation or “screened-out” (1003.1–1003.3: Hotline Call Screening) and forwarded to the agency IAD.
5	OSIG provides the Hotline Investigative/Complaint Report form via encrypted email or password protected documents to the applicable agency IAD for investigation.
6	The agency IAD investigates the allegation(s) reported in the Hotline Investigative/Complaint Report form.

#### Cautions/Warnings

- **Do not** provide copies of Hotline Investigative/Complaint Report sheets to investigation subjects or witnesses.
- The information contained in the Hotline Investigative/Complaint Report sheet can compromise the caller’s identity because:
  - The OSIG Hotline Investigator prepares the Hotline Investigative/Complaint Report sheet verbatim from the caller’s description of the situation. The caller may only be referred to as the Caller or Complainant and the caller’s gender is not revealed for confidentiality.
  - Confidential information is contained in the Hotline Investigative/Complaint Report sheet, such as the names of 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, which shall not be disclosed.

#### Confidentiality

OSIG takes precautions (Policy 1001.1: Confidentiality and Security) to ensure the identities of state employees and citizens who report alleged incidents of fraud, waste or abuse are protected and remain anonymous.

The Hotline Investigative/Complaint Report sheets are handled by OSIG under strict levels of confidentiality and are marked “Confidential State Fraud, Waste and Abuse Hotline Document.” (Policy 1001.1: Confidentiality and Security).

#### Agency IADs Hotline Documents/Calls Confidentiality Guidelines

- Agency IADs are required to follow OSIG’s confidentiality guidelines (Policy 1001.1: Confidentiality and Security) for Hotline documents in order to maintain the integrity of the Hotline program.
- State IADs involved in Hotline investigations **should not share** Investigative/Complaint Report sheets with anyone except those individuals who are directly involved in conducting the investigation.

IADs are responsible for ensuring anyone provided this information fully understands the confidentiality requirements and maintains full compliance.

- If for investigative purposes, or as required by law, **it is necessary to disclose** the nature of the allegation(s) to the subject, the disclosure should be done by providing the subject with a summary of the allegation(s). Investigators should not provide the subject with any information that would compromise the identity of the individual who called the Hotline or other witnesses, or irresponsibly lead the subject to identify the Hotline caller or witness.

## *Policy 1002.2: Hotline Operations Parameters*

### **Introduction**

The conversation with a caller is an 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.

### **Parameters**

- Hotline toll-free number: 800-723-1615.
- Hours of operation: 8:00 am to 5:00 pm, Monday through Friday (not including weekends and state holidays)
- After-hours: A recorded message announces the Hotline hours and provides callers with the opportunity to leave a voice mail message.
- The after-hours message is used to announce case numbers for which additional information is needed and ask callers to call back during work hours.
- The OSIG Investigations Manager answers the Hotline and forwards the calls to OSIG Hotline Investigators who interview the callers and gather information about allegations.
- Hotline allegations are typically communicated by phone. In addition, OSIG receives complaints by:
  - **USPS:** Office of the State Inspector General  
Attention: State Fraud, Waste and Abuse Hotline  
P.O. Box 1151  
Richmond VA 23218
  - **Fax:** 804-371-0165
  - **Email:** [COVHotline@osig.virginia.gov](mailto:COVHotline@osig.virginia.gov)
  - **Web Form:** <https://www.osig.virginia.gov/program-areas/citizen-services/report-fraud-waste-and-abuse/complaint-form>

## *Policy 1002.3: Answering Hotline Calls*

<b>Step</b>	<b>Responsible Party</b>	<b>Actions Taken</b>
<b>1</b>	OSIG Investigations Manager or designee	Answers call and reads the following script: “You have reached the State Fraud, Waste and Abuse Hotline. Please do not disclose your identity. If you are calling back about a case that you have previously reported, please hold and I will connect you with an investigator.”
<b>2</b>	OSIG Hotline Investigator	Listen to the particulars of the allegation(s) and record the following: <ul style="list-style-type: none"> <li>• Time, date, and location</li> <li>• Name of the state agency and department or division</li> <li>• Subject(s) of the allegation(s)</li> <li>• Is the caller reporting the allegation under the Whistle Blower Protection Act</li> </ul>

Step	Responsible Party	Actions Taken
3	OSIG Hotline Investigator	While discussing the allegation with the caller, make a preliminary determination of whether the allegation falls under the Hotline’s authority and scope and whether it involves fraud, waste or abuse of state resources. <ul style="list-style-type: none"> <li>• If yes, go to Step 4.</li> <li>• If no, redirect the caller to the appropriate agency or investigative authority using the <i>Level 1 Call Screening Criteria Sheet</i>.</li> </ul>
4	OSIG Hotline Investigator	Continue to interview the caller, to obtain relevant, detailed and specific information about the allegation(s).
5	OSIG Hotline Investigator	Is the write-up complete? <ul style="list-style-type: none"> <li>• If yes, go to Step 6.</li> <li>• If no, inform the caller that additional relevant information is needed and to call back after obtaining the information.</li> </ul>
6	OSIG Hotline Investigator	Assign a sequential case number and provide the case number to the caller. Tell the caller: “Please call the Hotline number again, no sooner than three weeks from today after 5 p.m. 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 business hours so that we can speak to you further about the allegation you reported.”

**What if a caller makes allegations about more than one agency?**

Issue a case number and prepare an Investigative/Complaint Report sheet with each agency and applicable allegation(s) listed and numbered separately.

***Policy 1002.4: Interviewing a Caller***

**Questions to Ask Callers**

OSIG Hotline Investigators should seek to obtain the factual information surrounding each allegation. As a general rule, OSIG Hotline Investigators should ask the “who, what, when, where, why, and how” of the allegation. The investigator will ask the caller for factual details of the allegation and if the caller can provide supporting documentation for the allegation. The investigator will determine if the allegation meets the criteria for fraud, waste and abuse as defined by OSIG in the State Fraud, Waste and Abuse Hotline Policies and Procedures Manual. In addition, OSIG Hotline 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 within the agency by reporting the situation through the chain of command or to management.
- The names of any witnesses aware of the situation who would be willing to speak with Hotline investigators.
- Whether the subject’s supervisor or others in authority are aware of the allegation(s).
- Why the caller thinks the situation is fraud, waste or abuse, and which policy applies (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, if known.
- The frequency of the occurrence.

- Listen to the caller for red flags that would indicate the allegation(s) may be malicious in nature and not based on fact. Examples of red flags may include a caller making a serious allegation about an official but does not have any details to support the allegation or cannot provide documentation, dates, or times or a caller makes frivolous allegations or several allegations, many of which are immaterial in nature.

**Common Allegations Received by the OSIG / Related OSIG Hotline Investigator Questions**

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

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

If the allegation is ...	Then ask the following questions (if applicable) ...
<p><b>Violation of state hiring policy and practices</b></p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>• Unfair hiring practices</li> <li>• Pre-selection of candidates</li> <li>• Selection of unqualified employee(s)</li> <li>• Unfair hiring practices</li> <li>• Pre-selection of candidates</li> <li>• Selection of unqualified employee(s)</li> </ul> <p>(If the caller is an aggrieved employee, the caller should be referred to the EDR or the OEES within DHRM)</p>	<ul style="list-style-type: none"> <li>• Name(s) of the agency/division/unit, etc. involved.</li> <li>• Is the person a classified employee?</li> <li>• Job title/position number/classification (full-time).</li> <li>• Name of individual hired.</li> <li>• Position’s supervisor.</li> <li>• When did the situation occur?</li> <li>• Names of any witnesses.</li> <li>• Was this situation reported to anyone else?</li> <li>• Are there any documents or is there other evidence to support this allegation?</li> <li>• Does the agency have written policies and procedures that address this issue?</li> </ul> <p><i>Unfair hiring practices</i></p> <ul style="list-style-type: none"> <li>• How was the hiring practice unfair?</li> <li>• Did the agency comply with applicant screening process?</li> <li>• Name of the hiring authority for the position.</li> <li>• Date job posted/closed or date successful applicant started in the position.</li> </ul> <p><i>Pre-selection of candidate(s)</i></p> <ul style="list-style-type: none"> <li>• Why was the person pre-selected?</li> <li>• Who was the person pre-selected by and was that person on the interview panel?</li> <li>• How do you know this person was pre-selected?</li> <li>• How can this information be verified?</li> <li>• Is this person qualified for the position based on the job requirements, screening process and relevant experience?</li> </ul> <p><i>Unqualified candidate</i></p> <ul style="list-style-type: none"> <li>• Why is the person unqualified?</li> <li>• What duties and responsibilities assigned to this position cannot be performed by the candidate?</li> <li>• Has there been a documented incident to verify this allegation?</li> </ul>

If the allegation is ...	Then ask the following questions (if applicable) ...
<p><b>State phone</b></p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>• Personal calls on state phones, including cell phones</li> <li>• Using state fax machine for personal documents</li> <li>• Charging personal long distance phone calls to the state</li> </ul>	<ul style="list-style-type: none"> <li>• Name of the agency/division/unit, etc. involved.</li> <li>• Name(s) of subject(s) and position(s).</li> <li>• Subject's supervisor.</li> <li>• Phone number(s) involved.</li> <li>• To what account names/numbers are the calls being charged?</li> <li>• Date(s) and time(s) of calls.</li> <li>• Frequency and duration of calls.</li> <li>• How do you know the calls are not state business-related.</li> <li>• Do you know the name(s) and number(s) of the party/parties called?</li> <li>• Where is/are the party/parties located (local vs. long distance)?</li> <li>• How do you know the subject is not using a personal calling card?</li> <li>• Does the agency monitor employee phone calls?</li> <li>• Is the subject's supervisor aware of this situation?</li> <li>• Does the agency have a written phone/cell phone/fax policy?</li> </ul> <p><i>Work cell phone misuse</i></p> <ul style="list-style-type: none"> <li>• Name of cell phone vendor.</li> <li>• Can you provide the names of any witnesses? Has this situation been reported to anyone?</li> <li>• Are there any documents to support the allegation?</li> </ul>

If the allegation is ...	Then ask the following questions (if applicable) ...
<p><b>Procurement violation</b></p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>• Unnecessary/excessive purchases/construction</li> <li>• Over-priced purchases/construction</li> <li>• Conflicts of interest</li> <li>• Noncompetitive procurements</li> </ul>	<ul style="list-style-type: none"> <li>• Name(s) of the agency/division/unit, etc. involved.</li> <li>• Name(s) of the subject(s) and position(s).</li> <li>• Description(s) of goods and/or services</li> <li>• The name(s) of the vendor(s) and the agency account name(s)/number(s) charged.</li> <li>• Frequency of occurrence.</li> <li>• Date(s) of purchase for goods and/or services.</li> <li>• The dollar amount(s) of the purchase(s).</li> <li>• Goods: Where are the goods currently located?</li> <li>• Services: Were the services performed? If not, what is the status?</li> <li>• Who authorized the purchase?</li> <li>• Was this within the authorizer's purchasing authority?</li> <li>• How did this purchase violate procurement laws?</li> <li>• Has the agency paid the vendor for the goods or services?</li> <li>• Why do you consider this purchase to be unnecessary?</li> <li>• Why do you consider this purchase to be excessive?</li> <li>• Names of witnesses.</li> <li>• Is the subject's supervisor aware of this situation?</li> <li>• How did you find out about this situation?</li> <li>• Was this situation reported to anyone else?</li> <li>• What documents or other evidence can we use to prove that this happened?</li> </ul> <p><i>Other questions regarding specific allegations</i></p> <ul style="list-style-type: none"> <li>• Special treatment and/or acceptance of bribes, gifts or kickbacks.</li> <li>• How was one vendor given special treatment over other vendors?</li> <li>• How was this special treatment able to occur?</li> <li>• Explain why this purchase was a conflict of interest.</li> <li>• Did the subject have a special interest in the transaction?</li> <li>• Did the subject accept a gift, bribe, or kickback from a vendor?</li> <li>• What was the nature of the gift, bribe or kickback?</li> <li>• Do you know the value of the gift, bribe or kickback?</li> <li>• Why did the subject act in this manner?</li> </ul>

If the allegation is ...	Then ask the following questions (if applicable) ...
<p><b>Conducting outside business in a state office and/or ... using state resources for non-state business purposes</b></p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>• Using state resources for an outside (private/personal) business</li> <li>• Conducting outside business from a state office</li> <li>• Selling products, preparing tax returns, selling real estate</li> </ul>	<ul style="list-style-type: none"> <li>• Name(s) of the agency/division/unit, etc. involved.</li> <li>• Name(s) of subject(s) and position(s).</li> <li>• Date(s) and time(s) the situation(s) occurred.</li> <li>• Does/Do 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?</li> <li>• Where did the situation occur?</li> <li>• The name of the outside business.</li> <li>• Describe the nature of the outside or personal business that is conducted from the state office. Do you have a business card, brochure, etc.?</li> <li>• How much state time is involved?</li> <li>• How often does this occur?</li> <li>• How long has this been occurring?</li> <li>• How do you know that the subject(s) is/are not making up the time?</li> <li>• What state resources are being used for outside business purposes? (Computer, copier, phone, paper, fax machine, Internet, etc.).</li> <li>• Is/Are the subject(s) receiving and/or making non-state business-related phone calls?</li> <li>• How do you know the calls are not related to state business?</li> <li>• Is/Are the subject(s) conducting outside business during state work hours, or during lunch or after work hours?</li> <li>• Do you have any evidence, such as copies of documents?</li> <li>• Can you provide the names of any witnesses?</li> <li>• Is the subject's supervisor aware of this situation?</li> <li>• How did you find out this information?</li> <li>• Has this situation been reported to others?</li> </ul>

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

If the allegation is ...	Then ask the following questions (if applicable) ...
<p><b>Abuse of state equipment/resources for non-state purpose</b></p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>• Unauthorized use of a state computer</li> <li>• Unnecessary or idle computer</li> <li>• Unauthorized use of state copiers, printers</li> <li>• Unnecessary software</li> <li>• Misuse of the Internet</li> <li>• Personal use of the email system</li> </ul>	<ul style="list-style-type: none"> <li>• The name(s) of the agency/division/unit, etc. involved.</li> <li>• Name(s) of subject(s) and position(s).</li> <li>• Date(s) and time(s) of the occurrence(s).</li> <li>• Frequency of the occurrence.</li> <li>• Subject's supervisor.</li> <li>• Does/Do 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?</li> <li>• Is the subject making up the time?</li> <li>• Can you provide the names of any witnesses?</li> <li>• Is the supervisor aware of this situation?</li> <li>• How did you obtain this information?</li> <li>• Does the agency have written policies and procedures addressing this issue?</li> <li>• Was this situation reported to others?</li> <li>• Was this done on state time, or after hours or during lunch?</li> <li>• Is there any other evidence to support this allegation?</li> </ul> <p><i>Equipment Description</i></p> <ul style="list-style-type: none"> <li>• What was the equipment supposed to be used for?</li> <li>• Where is the equipment located?</li> <li>• What was the cost of the equipment?</li> <li>• When was the equipment purchased?</li> <li>• Who authorized the purchase of the equipment?</li> </ul> <p><i>Description of involved personal documents</i></p> <ul style="list-style-type: none"> <li>• How much time was spent using or preparing the personal documents?</li> <li>• What type of software was used to prepare the documents? (Word, Excel, Adobe, etc.)?</li> <li>• What are the documents about (subject)? Any specific organization?</li> <li>• Do you have copies of the documents? If so, please provide them to us.</li> <li>• Where are the documents saved (e.g., hard drive, CD, DVD, network)?</li> </ul> <p><i>If personal email/Internet usage:</i></p> <ul style="list-style-type: none"> <li>• Email: Frequency, sent to/received from, if sent outside of the agency, where?</li> <li>• Internet: What Internet sites are accessed? Email and Internet: Does the agency monitor computer usage?</li> </ul>

### Policy 1002.5: Post-Screen Hotline Calls Process

The OSIG Hotline Investigator ends the call and performs the following tasks.

Step	Responsible Party	Actions Taken
1	OSIG Hotline Investigator	<ul style="list-style-type: none"> <li>• Research Personnel Management Information System (PMIS), Internet, State Employee Directory, etc. to verify the applicable information in the allegations.</li> <li>• Write up the case on an Investigative/Complaint Report sheet.</li> <li>• Attach interview notes to the Investigative/Complaint Report sheet.</li> <li>• Provide all Hotline documents to the OSIG Investigations Manager.</li> </ul>
2	OSIG Investigations Manager	<ul style="list-style-type: none"> <li>• Perform a Level 2 screening (Policy 1003.3: Level 2 Screening) of Hotline cases.</li> <li>• Determine the level of investigation that is warranted, including whether or not OSIG should conduct the investigation. All allegations being considered for investigation by OSIG will be discussed with the Deputy Inspector General prior to proceeding (see Policy 1002.6: Calls Requiring Special Handling).</li> </ul>
3	OSIG Hotline Investigator	<ul style="list-style-type: none"> <li>• Prepare Hotline letters for distribution to the appropriate state agency IAD.</li> <li>• Hotline documents may only be emailed when email encryption or password protected PDF file is used.</li> </ul>

### Policy 1002.6: Calls Requiring Special Handling (Exceptions)

Special processes are required for the following calls.

If the Allegation Involves ...	Then ...
An IAD or IAD staff, a state agency head, cabinet secretary or at-will employee.	<p>Investigation is usually assigned to OSIG.</p> <p>The Investigations Manager will notify the Deputy Inspector General upon receipt of complaints regarding these officials. The Investigations Manager in conjunction with the Deputy Inspector General will determine the appropriate course of action. The discussion will focus on the allegations, including an explanation of why OSIG should conduct the investigation.</p> <p>Once a decision has been made for OSIG to perform an investigation, the State Inspector General will be briefed. The State Inspector General, or designee, will notify the Chief of Staff or the appropriate cabinet secretary of any investigation of a cabinet secretary, an agency head, an at-will employee, or an IAD under their authority being conducted by OSIG.</p> <p>All allegations will be reviewed by all OSIG staff objectively and without bias.</p>

<b>If the Allegation Involves ...</b>	<b>Then ...</b>
Allegation involves a time sensitive issue or some other urgent matter.	<p>The investigator will immediately notify the OSIG Investigations Manager who will coordinate with the Deputy Inspector General. The State Inspector General will be briefed about the action(s) to be taken, as will the Director of Investigations &amp; Law Enforcement Services as needed.</p> <p>The OSIG Investigations Manager will expedite the handling of the case, as warranted.</p>
Alleged wrongdoing involves criminal activity or an immediate threat to life or state property.	<p>The investigator will promptly notify the OSIG Investigations Manager who will coordinate with the Chief of Investigations. Subsequent to this coordination, the State Inspector General and Deputy Inspector General will be briefed on the action(s) to be taken.</p> <p>The OSIG Investigations Manager or the Chief of Investigations will expedite the handling of the case as considered appropriate, including forwarding the allegation to the APA and VSP.</p>

<b>If ...</b>	<b>Then ...</b>	<b>Further Steps</b>
Caller wants to mail information to the Hotline.	<ul style="list-style-type: none"> <li>• Provide the Hotline mailing address, email address, or fax number to caller, and tell caller to mark the envelope or other documents "Confidential."</li> <li>• Advise the caller that any documents provided become the property of the Hotline.</li> <li>• Request that the caller follow up with the OSIG Hotline Investigator to ensure documents were received.</li> </ul> <p><i>Mailing address:</i> State Fraud, Waste and Abuse Hotline P. O. Box 1151, Richmond, VA 23218</p>	<p><i>For Hotline mail opened by OSIG Hotline staff:</i></p> <ul style="list-style-type: none"> <li>• Date stamp the document(s).</li> <li>• Verify if the documents are related to an ongoing case or assign a new case number.</li> <li>• Summarize the information from the documents in the case write up.</li> <li>• File the original document(s) in the case file.</li> </ul>
Complaint concerns the manner in which a Hotline case was investigated.	Refer the caller to the OSIG Investigations Manager.	The OSIG Investigations Manager will coordinate through the OSIG chain of command to resolve the situation as deemed appropriate.

<p>Caller thinks s/he is the victim of retaliation because s/he reported allegations of fraud, waste or abuse to the Hotline.</p>	<p>Refer the caller to the OSIG Investigations Manager.</p>	<ul style="list-style-type: none"> <li>• OSIG will investigate the allegation if the information provided supports this action.</li> <li>• Discuss with the State Inspector General and Deputy Inspector General.</li> <li>• Prepare a formal notification letter for the Governor’s Chief of Staff.</li> </ul>
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***Policy 1002.7: Handling Hotline Allegations Received by Mail, Fax, or Email***

Process for Hotline allegations received by mail, fax, or email.

<b>Step</b>	<b>Responsible Party</b>	<b>Actions Taken</b>
1	OSIG Investigations Manager	Receives the Hotline allegation by mail, fax, or email.
2	OSIG Investigations Manager	<p>Reviews the content of the mail, fax, or email and performs Level 1 Screening (Policy 1003.2: Level 1 Screening) and Level 2 Screening (Policy 1003.3: Level 2 Screening).</p> <p>Review the mail, fax, or email allegation for factual details and if the allegation meets the criteria for fraud, waste and abuse or policy violations.</p> <p>Look for possible red flags in the written allegation that the allegation may be malicious in nature and not based on fact. Examples of red flags in written allegations may include several minor allegations along with possibly a more serious allegation about an official, or the writer may not have the correct position titles documented or names are misspelled, other details may be incomplete, etc. Since historically at OSIG less than 25 percent of allegations have been substantiated, be aware that allegations may be false and may be provided to make trouble for the alleged perpetrator. Therefore, an open mind and professional skepticism are needed when evaluating allegations of fraud, waste, or abuse.</p> <p>If the allegation is sent via email, determine what other supporting information or documentation can be provided by the complainant and contact the complainant with additional questions or requests for documentation.</p>
3	OSIG Investigations Manager	Assigns a sequential case number to the allegation or disseminates the allegation to Hotline staff for write up.
4	OSIG Investigations Manager	Summarizes the allegation on an Investigative/Complaint Report sheet.
5	OSIG Investigations Manager	Prepares an email for distribution to the appropriate IAD, even if the allegation is screened-out.

## 1003.1-1003.3: Call Screening

### Policy 1003.1: Cost-Effective Investigations

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

#### Overview

OSIG 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 minimal or less significant allegations that indicate a negligible burden on the Commonwealth.

#### Investigative Authority

OSIG administers the Hotline program under the authority of Executive Order No. 52 (2012), which covers Executive Branch state agencies and institutions of higher education and some non-state agencies.

Independent, Judicial and Legislative Branch Agencies of state government (such as the Supreme Court, the State Lottery, and the Auditor of Public Accounts) may voluntarily participate in the Hotline program.

#### Hotline Call Screening

The OSIG screens Hotline calls using two different levels:

- Level 1 Screening—While talking to a caller, the OSIG Hotline Investigator identifies if the call/allegation falls within or is outside of the Hotline’s authority.
- Level 2 Screening—After a Level 1 Screening, the OSIG Investigations Manager reviews the case report to determine the seriousness of the allegation(s) and if there is sufficient information to perform an investigation.

### Policy 1003.2: Level 1 Screening

The OSIG Hotline Investigator interviews the caller 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.

<b>If the subject of the allegation ...</b>	<b>Then ...</b>
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.
Falls outside of the Executive Branch or other voluntarily participating non-Executive Branch agencies	Refer the caller to the APA or other appropriate authority.
Does not involve a state agency or institution and/or does not involve state business	Refer caller to the appropriate authority by referring to the following: <ul style="list-style-type: none"><li>• <u>Level 1 Screening Criteria Sheet</u> (below)</li><li>• <u>State Agency Search</u> (online directory)</li></ul>

<b>If the subject of the allegation ...</b>	<b>Then ...</b>
	<ul style="list-style-type: none"> <li>Consult with the OSIG Investigations Manager, Chief of Investigations, or the Deputy Inspector General</li> </ul>
Deals with a personnel-related issue, such as disciplinary or corrective action or termination	Refer caller to the Department of Human Resources Management (DHRM).
Involves unemployment benefits fraud	Refer caller to the Virginia Employment Commission (VEC).
Involves Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) benefits fraud	Refer caller to the Fraud Benefits Division of the Department of Social Services.
Involves a subject unfamiliar to the investigator	Let the caller know additional time is needed to research the issue and ask the individual to call back later (within a reasonable time period).
Involves a criminal matter	Notify the Chief of Investigations to determine if the matter can be investigated internally or the caller should be referred to the appropriate law enforcement agency.

<b>Non-Hotline Topics</b>	<b>Refer Caller Directly</b>	<b>Phone Number</b>
Virginia Department of Alcoholic Beverage Control (ABC) violations (non-state employee violations)	Virginia ABC	866-437-3155
APA staff	Record allegation and send case write-up to the APA Director of Administration and Finance	804-225-3350
Citizen reports a driver in a state vehicle, but no agency identified	DGS	804-367-6526
Citizen reports other issues	Refer to applicable agency	Varies
City/county/town employee/function (e.g., local police officers, school teacher, etc.)	As applicable: city/county manager, internal audit, school board, city/town council, board of supervisors	Varies
Constitutional Officers (e.g., Commonwealth Attorney, Commissioner of Revenue, Sheriff) and Legislative Branch employees (except APA)	APA (for financial matters only)	804-225-3350
Driver's license or ID card fraud	Department of Motor Vehicles (DMV) Zero Fraud Hotline	877-ZERO-FRAUD (877-937-6372)

<b>Non-Hotline Topics</b>	<b>Refer Caller Directly</b>	<b>Phone Number</b>
Employee Relations Advice Line (workplace mediation and/or grievance); includes the following common conflicts: communication difficulties, discrimination, termination, harassment, discipline, management/work styles	1. Agency's DHRM Contact 2. Agency Workplace Mediation Coordinator 3. EDR	1. Varies by agency 2. Contact agency DHRM 3. 888-232-3842
Federal Tax Fraud	Internal Revenue Service	800-829-0433
General Assembly Member	1. Clerk of the House 2. Clerk of the Senate	1. 804-698-1619 2. 804-698-7400
Healthcare providers complaints	Department of Health Professions (DHP)	800-533-1560
Health plans: medical, drug, dental, behavioral health/Employee Assistance Program (EAP)	1. Anthem 2. Blue Card 3. Medco 4. Delta Dental 5. Value Option	1. 800-552-2682 2. 800-810-2583 3. 800-355-8279 4. 888-335-8296 5. 866-725-0602
Identity theft	Federal Trade Commission	877-382-4357
Inclement Weather Policy complaints (Hotline accepts calls alleging violation of policy; refer only disagreements with policy)	DHRM	804-225-3465
Insurance fraud (including Worker's Compensation)	VSP	877-623-7283
Judges ( <i>Code of Virginia</i> § 17.1-202) and staff	Judicial Inquiry and Review Commissioner	804-786-6636
Legislative branch—APA	1. APA 2. Director of Joint Legislative Audit and Review Commission (JLARC), if necessary	1. 804-225-3350 2. 804-786-1258
Lottery Hotline	Internal Audit	804-692-7123
Medicaid fraud (providers or recipients)	1. Provider fraud—OAG Medicaid Fraud Control Unit (MFCU) 2. Recipient fraud—Department of Medical Assistance Services (DMAS)	1. 800-371-0824 2. 866-486-1971
Occupational License (issues)	Department of Professional and Occupational Regulation (DPOR)	804-367-8500
Payroll errors/questions	1. Agency payroll office 2. DOA	1. Varies 2. 804-225-2245

<b>Non-Hotline Topics</b>	<b>Refer Caller Directly</b>	<b>Phone Number</b>
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)	1. Agency Human Resources 2. OEES	1. Varies 2. 800-533-1414
Private sector business/charity	1. Virginia Department of Agriculture and Consumer Services (VDACS) 2. Consumer Protection	1. 804-786-2042 2. 800-552-9963
Public Defenders	Virginia Public Defender's Office (9th and Franklin)	804-225-4330
Retirement benefits misuse (state) and complaints regarding Unum (Virginia Sickness & Disability Program [VSDP]) including alleged misuse of state disability benefits (short term and long term)	1. VRS 2. For Unum complaints only, refer caller to VRS Product Administrator. For disability fraud, refer caller to the VRS IAD or VRS Director	888-VARETIRE or (888-827-3847) or 804-649-8059 or 804-344-3120
Road problems/conditions (road and traffic conditions, report unsafe road conditions, request state-maintained work)	Virginia Department of Transportation (VDOT)	511 or 800-367-7623
Social Security Number fraud	United States Social Security Administration	800-269-0271
State-owned vehicle roadside assistance	DGS	866-857-6866
Supreme Court	Record allegation and send case write-up to Supreme Court	804-786-6455
Terrorist-related threats and activities; 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	1. Virginia Department of Emergency Management (VDEM) 2. VSP Terrorist Tip Hotline	1. 804-897-6510 or 877-4VA-TIPS 2. (877-482-8477)
Unemployment insurance abuse	Record allegation and send case write-up to VEC IAD	804-786-4445
Virginia tax fraud (if state employee, take call and forward information to Tax IAD)	Department of Taxation	804-367-8031 <a href="mailto:tax-taxpayercomplaintreferral@tax.virginia.gov">tax-taxpayercomplaintreferral@tax.virginia.gov</a>

<b>Non-Hotline Topics</b>	<b>Refer Caller Directly</b>	<b>Phone Number</b>
VITA Customer Care Center	VITA	866-637-8482
Workers' Compensation (if employee is victim) Also see insurance fraud section above.	1. Agency DHRM 2. Workers' Compensation Commission	1. Varies 2. 877-664-2566

### ***Policy 1003.3: Level 2 Screening***

The OSIG Investigations Manager performs a Level 2 Screening within two business days after a call is received. Consistent with the procedures in this manual and with guidance from the Deputy Inspector General, and input from the Chief of Investigations as needed depending on the allegation(s), the OSIG Investigations Manager will determine the seriousness of an allegation and classify it as either:

- Serious or significant, to be investigated within 60 days.
- Not significant, to be screened-out.

### **Purpose**

To ensure sufficient information is gathered in order to minimize investigative efforts and associated costs of investigations for allegations that appear insignificant, or of “de minimus” nature, based on established screening criteria.

### **Level 2 Screening Process**

The OSIG Investigations Manager or assigned designee will thoroughly review the allegation(s) and determine that the allegation(s) meet the State Fraud, Waste and Abuse Hotline criteria for investigation. The OSIG Investigations Manager or the assigned designee will determine if the allegation involves fraud, waste or abuse and complete the Level 2 Screening Assessment Sheet, which indicates whether cases meet the criteria for further investigation.

<b>Step</b>	<b>Description</b>
<b>1</b>	The OSIG Hotline Investigator forwards new cases to the OSIG Investigations Manager.
<b>2</b>	The OSIG Investigations Manager prepares the Screening Assessment Sheet and determines whether a case is consistent with the screening criteria.
<b>3</b>	The OSIG Investigations Manager enters the results of the screening assessment on the Screening Assessment Sheet and identifies the screened-out cases.
<b>4</b>	Screened-out cases are distributed to the IAD when identified and may be investigated at the IAD’s discretion. If a screened-out case is investigated, the IAD is required to follow established Hotline case investigative procedures. The original Investigative/Complaint Report sheet and Screening Assessment Sheet are filed by case number in the Hotline files.
<b>5</b>	Cases meeting the screening criteria are assigned to the respective agency’s IAD within two business days.
<b>6</b>	As part of the quality control process, the Investigations Unit Forensic Analyst reviews all new cases input to the Hotline database on a daily basis to identify possible collaboration opportunities between the Hotline and Investigations Unit staff.

## Level 2 Screening Methodology

The following methodology is used for Level 2 Screening assessments to determine if cases warrant investigation.

Criteria	Methodology	Action
Scope	Normally, a case is not referred for investigation unless the allegation falls within the scope of the Hotline's authority.	<ul style="list-style-type: none"> <li>• Determine if the subject of the allegation is identified.</li> <li>• If the subject of the complaint is not clearly identified with sufficient detail, it is not deemed practical to conduct an investigation, and the case will be screened-out.</li> </ul>
Seriousness (violation of law, policy, or procedure)	<p>If there is an alleged violation of federal or state law, the case will be referred to OSIG Investigations Unit or the appropriate law enforcement authority for investigation.</p> <p>An alleged violation of statewide policy will be considered for referral, depending on other criteria.</p>	<p>Consider the seriousness of the allegation:</p> <ul style="list-style-type: none"> <li>• Does the complainant allege a violation of law, policy, or procedure?</li> <li>• A violation of a law would rank as a more serious issue than a deviation from an agency procedure.</li> </ul>
Materiality	Allegations of explicit loss of state funds or property, abuse of state time or property, or loss of productivity or inefficiency may be referred for investigation depending on other criteria.	<ul style="list-style-type: none"> <li>• Generally, those allegations with an estimated loss of \$200 or more will be referred for investigation if a sufficient level of detail is provided.</li> <li>• Normally, estimated losses of less than \$200 will not be referred for investigation unless other criteria warrant an investigation.</li> </ul>
Timing	Generally, if the time elapsed since the alleged wrongdoing occurred has been more than one year, the case will not be referred for investigation; however, the frequency of the alleged wrongdoing will also be considered.	Consider the timing and frequency along with other criteria.

Criteria	Methodology	Action
Level of Detail	<p>If the subject of the allegation is not identified and sufficient detailed information or documentation is not provided or identified, the case will not be referred for investigation.</p>	<p>Determine the amount of tangible evidence submitted or identified by the complainant:</p> <ul style="list-style-type: none"> <li>• For example, copies of official documents such as timesheets, payroll checks, emails, purchase orders, vendor invoices, computer listings, memos on letterhead, or journal entries</li> </ul> <p>Determine the degree of detail and specificity contained in the allegation. Generally, the more details provided the more credible the allegation:</p> <ul style="list-style-type: none"> <li>• Did the complainant provide the date?</li> <li>• Nature, timing, description, name, location, method of concealment, or dollar amount of wrongdoing, etc.?</li> </ul>
Related Issues	<p>If the caller states the allegation was previously investigated and found unsubstantiated, as a general rule, the case will not be referred for investigation unless the caller provides additional information or other significant facts.</p> <p>If the allegation concerns a matter that has a reasonable probability of adverse publicity and likely undermine the confidence of the public in Executive Branch operations, the case should be referred for investigation.</p>	<ul style="list-style-type: none"> <li>• Compare the complaint to other Hotline complaints of a similar nature made in the past 12 months. <ul style="list-style-type: none"> <li>○ If these cases were found unsubstantiated, determine whether any new information is contained in the complaint.</li> <li>○ If not, the case should be considered for screening-out.</li> </ul> </li> <li>• Try to determine the quality and thoroughness of previous investigations and the credibility of the caller.</li> </ul>

**Illustration: Level 2 Screening Assessment Sheet**

Office of the State Inspector General State Fraud, Waste and Abuse Hotline Level 2 Call Screening Criteria

Case #: \_\_\_\_\_ Initials: \_\_\_\_\_ Date: \_\_\_\_\_

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

Investigations Manager Recommendation:      \_\_\_ No Investigation      \_\_\_ Investigate 60 Days

Investigations Manager Comments: Initials \_\_\_\_\_

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## 1004.1-1004.5: Case Assignment

### Policy 1004.1: Methodology

OSIG uses the statewide network of IAPs to investigate the validity of Hotline allegations (not including allegations independently investigated by the OSIG) and to ensure that appropriate corrective actions are taken to rectify those situations where fraud, waste or abuse were identified.

#### Case Assignment Methodology

Step	Description
1	As a general rule, within two business days of receipt of the Hotline call, OSIG reviews and evaluates the propriety and seriousness of the allegation(s) using a structured screening process, and assigns the case accordingly. Occasionally, an exception to the two-business day time frame is required. For example, allegations may necessitate consultation with the OAG or VSP and require more than two days to complete.
2	OSIG determines who shall conduct the investigation.
3	OSIG assigns the case to: <ul style="list-style-type: none"> <li>• Agency IAP</li> <li>• OSIG</li> </ul>
4	For cases assigned to OSIG, the OSIG Investigations Manager assigns the case to an OSIG Hotline investigator or coordinates the assignment with the Chief of Investigations.
5	For cases assigned to agencies, OSIG sends a copy of the Hotline Investigative/Complaint Report sheet to the respective agency's IAD.
6	OSIG electronically files a copy of the Hotline report and any supporting attachments.
7	<ul style="list-style-type: none"> <li>• OSIG affirms that there is a 60-day reporting requirement. (Note: This reporting requirement also applies to investigations conducted by OSIG.)</li> <li>• One 60-day extension will be granted upon request, resulting in a total of 120 days to complete an investigation.</li> <li>• Upon request, an additional 60-day extension may be granted in circumstances with written justification (email acceptable), resulting in a total of 180 days to complete an investigation.</li> <li>• In some circumstances, extensions may be approved beyond 180 days on a case-by-case basis with the approval of the Deputy Inspector General or State Inspector General.</li> </ul>
8	OSIG sends the Hotline report and any attachments to the agency via <b>encrypted</b> email or password-protected PDF files.
9	A copy of the Hotline Investigative/Complaint Report form is electronically stored.

## Who conducts the investigation?

The OSIG assigns a Hotline investigation using the following guidelines:

If ...	The Hotline investigation is assigned to ...	Comment
The subject of the allegation involves an agency head, cabinet secretary, member of the internal audit staff, or an “at-will” employee.	OSIG	<p>OSIG is authorized to investigate officials in accordance with the <i>Code of Virginia</i>.</p> <p>The State Inspector General or Deputy Inspector General will be briefed on all allegations received through the State Fraud, Waste and Abuse Hotline that relate to cabinet secretaries and/or staff, agency heads, “at-will” employees, and internal audit staff prior to an investigation decision being finalized.</p> <p>The State Inspector General (or designee) will notify the Chief of Staff or the appropriate cabinet secretary of any investigation of a cabinet secretary, an agency head, an at-will employee or an IAD under their authority being conducted by OSIG.</p>
Agency does not have an IAP.	OSIG	OSIG performs the investigation.
All other cases	Agency IAP	<p>Exception: The OSIG may conduct the investigation if ...</p> <ul style="list-style-type: none"> <li>• The allegation is uniquely time sensitive.</li> <li>• Requested to do so by the IAD or agency head.</li> <li>• The allegation involves more than one state agency.</li> </ul>

\* Note: OSIG is authorized to investigate any Hotline case at its discretion.

## Cases Assigned to Agency IADs

OSIG recognizes that in some large agencies with locations throughout the Commonwealth, the IAD may delegate Hotline investigations to other responsible members of agency management.

## Investigations Delegated to Others

For cases delegated by the IAD to other responsible members of the management team, the IAD shall:

- Ensure the person conducting the investigation is properly trained to conduct a Hotline investigation.
- Ensure that others conduct Hotline investigations in the same confidential manner as those conducted by the internal auditors.
- Ensure the person is in a position to be objective and unbiased.
- Remain ultimately responsible to the OSIG for the proper conduct of investigations.
- Review the work performed by others and provide a conclusion as to whether or not the allegation(s) is/are substantiated.
- Approve the objectives and questions that need to be answered or develop them and provide that information to the investigator.
- Determine how much information to provide 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 IAD may consider

delegating the investigation to another qualified employee. The IAD will ensure the person conducting the investigation is familiar with the Hotline policies and procedures herein.

- Request assistance from the OSIG in instances of insufficient investigative resources.

### ***Policy 1004.2: Investigator Responsibilities***

Agency IADs are responsible for conducting Hotline investigations. Investigators shall not be restricted, limited or impeded by anyone during the conduct of Hotline investigations. All allegations will be reviewed by investigators and the Investigations Manager objectively and without bias.

#### **Confidentiality**

Hotline investigations must adhere to strict confidentiality standards. Related documents and correspondence must not be distributed to anyone other than the investigator, IAD, or the agency head, without OSIG's consent.

Copies of memorandums, reports and other documentation pertaining to Hotline investigations will only be provided to the IAD, and the individual assigned to conduct the Hotline investigation. Documents must be marked "Confidential State Fraud, Waste and Abuse Hotline Document."

Agency IADs shall not share Hotline Investigative/Complaint Report sheets with anyone except the individual conducting the investigation.

If an investigator deems that for investigative purposes, or as required by law, it is necessary to disclose the nature of the allegation(s) to the subject, they may do so by providing them with a summary of the allegation(s). However, careful effort must be made not to provide any information that would compromise the identity of the "anonymous" Hotline caller. Only the nature of the allegations may be disclosed to the subject during the interview process.

### ***Policy 1004.3: Hotline Investigative/Complaint Report Sheet***

#### **Sensitive Information**

The information contained on the Investigative/Complaint Report sheet can compromise the caller's identity:

- OSIG Hotline Investigators prepare Hotline Investigative/Complaint Report sheets verbatim from the caller's description of the situation.
- Confidential information is contained in the Hotline Investigative/Complaint Report sheet, such as the reported names of 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 and Security**

OSIG assures callers they will be anonymous and that OSIG takes procedural steps to protect callers' identities. OSIG employs many precautions to ensure the identities of state employees and citizens who report alleged fraud, waste or abuse to the Hotline are kept confidential.

The Hotline Investigative/Complaint Report sheet is handled by OSIG under strict levels of confidentiality (Policy 1001.1: Confidentiality and Security) and marked "Confidential State Fraud, Waste and Abuse Hotline Document." Agency IADs are required to provide the same level of confidentiality for Hotline documents to maintain the integrity of the Hotline program.

Agency IADs and others involved in Hotline investigations are prohibited from disclosing the Investigative/Complaint Report sheet with anyone except individuals conducting the investigation.

#### ***Policy 1004.4: Reporting Requirements***

OSIG requires a formal report of investigation within 60 calendar days, although OSIG may grant extensions upon request of IADs with reasonable justification. The report may be submitted electronically to the OSIG using encrypted email or password protected document, or sent by USPS or fax (please notify OSIG before sending a fax).

## ***1005.1-1005.4: Hotline Call-Backs***

### ***Policy 1005.1: Hotline Call-Back Requirements***

#### **Background**

Hotline callers generally call back regarding cases they have previously reported for one of these four reasons (also see Policy 1005.2: Hotline After-Hours Phone Recording):

- Caller's case number was on the after-hours call-back message.
- Caller wants to know the results of the investigation.
- Caller wants to provide additional information to the case.
- Caller is calling back after three weeks, per our instructions, from the date of the initial call.

#### **Other Caller Questions**

The remainder of 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? (This information cannot be disclosed to the caller)
- What disciplinary action was taken against the subject of the allegation? (This information cannot be disclosed to the caller)
- 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 OSIG.
- How much longer will the investigation take?
- The allegation continues to occur.
- The caller would like a copy of the final report through the Virginia Freedom of Information Act.

OSIG procedures for responding to these questions are presented later in this section (Policy 1005.4: Procedure for Responding to Caller's Questions).

#### **Requirements**

- If the caller provides the Hotline case number or provides sufficient information about the case to enable the OSIG Hotline Investigator to identify the complaint, the OSIG Hotline Investigator **may only disclose** to the caller that the investigation is "in progress" or is "completed." The OSIG Hotline Investigators shall not disclose any further information about Hotline case outcomes by phone or email.
- If the investigation is completed, the caller may make a FOIA request to receive a copy of the final report.

Note: Hotline cases that have been closed may be reopened upon receipt of new and relevant information not previously known to OSIG.

### ***Policy 1005.2: Hotline After-Hours Phone Recording***

The after-hours recording left by the OSIG staff on the Hotline phone line provides a mechanism for OSIG Hotline Investigators to ask Hotline callers additional questions about the allegations that have been presented, while protecting the anonymity of the callers.

## Call-Back Process

The following process is used for obtaining additional information from Hotline callers.

Step	Description
1	During the initial call the OSIG Hotline Investigator instructs the caller to call the Hotline back no sooner than three weeks after the date of the initial call to check the after-hours messages.
2	OSIG informs the applicable agency IAD of the initial call within two business days. At this time: <ul style="list-style-type: none"> <li>OSIG instructs the IAD to let OSIG know within 10 business days if the IAD has additional questions for the caller.</li> <li>If there are additional questions, or additional information is needed, the OSIG Hotline Investigator documents the information in the Hotline database.</li> </ul>
3	When there are additional questions, the OSIG Hotline Investigator places the case number on the after-hours phone message to alert the caller there are additional questions and to call back during normal working hours.
4	The caller calls back after three weeks from the initial call date to listen to the after-hours message.
5	The caller should then call the Hotline during working hours to speak with an OSIG Hotline Investigator who will ask the questions submitted by the IAD.
6	The OSIG relays the information to the IAD.

## Policy 1005.3: Answering a Hotline Call-Back

The following process is used with Hotline call-backs:

Step	Responsible Party	Description
1	OSIG Hotline Investigator	OSIG Hotline Investigator answers the call and asks caller if they are calling back about a case previously reported.
2	OSIG Hotline Investigator	If no, see Policy 1002.3: Answering Hotline Calls. If yes, go to Step 3.
3	OSIG Hotline Investigator	Ask for the case number and then check the Hotline database to see if the case has additional questions to be answered by the caller.
4	OSIG Hotline investigator	If the case number is listed on the call-back message, refer to the first example under <u>Procedure for Responding to Caller's Questions</u> .  If the case number is not on the "call-back message," then the OSIG Hotline Investigator should ask the caller what can be done to help him/her.
5	Caller	Caller explains why s/he is calling back about a specific case. See examples provided earlier.
6	OSIG Hotline investigator	The OSIG Hotline Investigator provides assistance in response to the caller's questions. Specific questions are listed in Policy 1005.4: Procedure for Responding to Caller's Questions.

## Policy 1005.4: Procedure for Responding to Caller's Questions

### Confidentiality

Prior to disclosing any information about a Hotline case, the OSIG Hotline Investigator shall ask the caller to provide some details about the case that only the original caller would know. Ask the caller:

- When was the case reported?
- Can you provide the case number?
- What was the nature of the allegation?
- What or who is the subject of the investigation?

- What state agency was involved?

**Call-backs should be handled as follows:**

If ...	Then ...	Process
The caller's case number was on the "call-back message"	<ul style="list-style-type: none"> <li>• Retrieve the questions.</li> <li>• Cases on the call-back message are recorded in the Hotline database.</li> <li>• Contact the IAD to let them know that the additional information was received.</li> <li>• Delete the Hotline case number from the call-back message and the questions from the database.</li> </ul>	<ul style="list-style-type: none"> <li>• Document the caller's response on the Investigative/Complaint Sheet, below the questions.</li> <li>• Provide the form to the OSIG Investigations Manager for review and approval.</li> <li>• Send the form to the IAD which provides the additional information to assist the assigned investigator in the investigation.</li> </ul>
The caller wants to know the status of the case	<ul style="list-style-type: none"> <li>• Review the case write-up in the Hotline database.</li> <li>• OSIG Investigations Manager/Hotline Investigators may only disclose that the case is either "in progress" or "completed."</li> <li>• No other information shall be provided to the caller.</li> </ul>	No action is required.
The caller wants to provide additional information on an existing case	<ul style="list-style-type: none"> <li>• Review the case write-up in the Hotline database.</li> <li>• Take the new additional information from the caller.</li> </ul>	<ul style="list-style-type: none"> <li>• Write the additional information on an Investigative/Complaint Report sheet.</li> <li>• Provide the Investigative/Complaint Report sheet to the OSIG Investigations Manager for review and processing.</li> </ul>
The caller is calling three weeks after the initial call, per OSIG guidance.	<ul style="list-style-type: none"> <li>• Review the Hotline database to determine if the caller's number is included. If so, then follow the call-back process.</li> <li>• If not, advise the caller that we do not have any further questions for him/her.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to the first type of call-back process documented in this section</li> <li>• No action is required.</li> </ul>
The caller wants to know how the case was investigated.	Advise the caller that Hotline investigations are conducted in a confidential manner and in accordance with the Hotline manual and the AIG standards.	Refer the caller to the OSIG Investigations Manager or the Deputy Inspector General if the caller is not satisfied with the handling of the case.
The caller asks who conducted the Hotline investigation.	Advise the caller that investigations are conducted in a confidential manner utilizing the statewide network of IAPs under the direction of OSIG. The name of the investigator should not be disclosed.	Refer the caller to the OSIG Investigations Manager or the Deputy Inspector General, if the caller is not satisfied.

If ...	Then ...	Process
<p>The caller asks if his/her case was assigned for investigation.</p> <p>If not, why not?</p>	<ul style="list-style-type: none"> <li>Review the Hotline database.</li> <li>Respond that the case was either assigned for investigation or screened-out.</li> <li>If the case was screened-out, explain the reason why it was not investigated.</li> <li>Advise the caller that if s/he wishes to provide more details about the allegation, OSIG will re-evaluate investigating the case.</li> </ul>	<ul style="list-style-type: none"> <li>If not investigated and the caller wants to add information, complete a Case Continuation sheet.</li> <li>Provide the new information to the OSIG Investigations Manager.</li> <li>The new information will be re-evaluated to determine if an investigation is warranted. Refer to the Screened-Out Section (1003.1–1003.3: Hotline Call Screening).</li> </ul>
<p>The caller asks if the allegation was substantiated.</p>	<ul style="list-style-type: none"> <li>The OSIG Investigations Manager/OSIG Hotline Investigators may only disclose whether a case is in progress or completed.</li> <li>No other information shall be provided to the caller unless authorized by the State Inspector General or designee.</li> </ul>	<p>Refer the caller to the OSIG Investigations Manager or Deputy Inspector General if the caller is not satisfied.</p>
<p>The caller asks what disciplinary action was taken against the subject of the allegation.</p>	<ul style="list-style-type: none"> <li>Advise the caller that investigations are conducted in a confidential manner and that the results of the investigation are generally not disclosed. However, if the case is closed, s/he may request a copy of the report under FOIA.</li> </ul>	<ul style="list-style-type: none"> <li>Refer the caller to the OSIG Investigations Manager or Deputy Inspector General if the caller is not satisfied with the outcome of the investigation.</li> </ul>
<p>The caller states that nothing happened as a result of his/her call.</p> <p>Why not?</p>	<p>Review the case write-up in the Hotline database:</p> <ul style="list-style-type: none"> <li>If the case is still under investigation, inform the caller the case is still under investigation.</li> <li>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 OSIG Investigations Manager or Deputy Inspector General to determine if a new case should be opened if additional information and/or documentation is provided.</li> <li>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.</li> <li>Point out that personnel disciplinary actions imposed on an employee by agency management are confidential and may not be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>No action is required.</li> <li>Document the conversation on an Investigative/Complaint Report sheet.</li> <li>Provide the Investigative/Complaint Report sheet to the OSIG Investigations Manager.</li> <li>Either a new case number is assigned, or no action is taken.</li> <li>Advise the caller to call back again in two weeks if corrective action has not been observed.</li> <li>The OSIG Investigations Manager may wish to contact the agency IAD to inquire if corrective action has, or will be taken by management.</li> </ul>

If ...	Then ...	Process
The caller wants to mail some additional information to the Hotline.	Provide the following directions: <ul style="list-style-type: none"> <li>• Mail via USPS to: State Fraud, Waste and Abuse Hotline P.O. Box 1151 Richmond, VA 23218</li> <li>• Mark the envelope "Confidential."</li> <li>• Write the case number on all documents.</li> <li>• Mark all documents "Confidential State Fraud, Waste And Abuse Hotline Document"</li> <li>• Fax documents to 804-371-0165.</li> <li>• Email documents to <a href="mailto:cov hotline@osig.virginia.gov">cov hotline@osig.virginia.gov</a>.</li> <li>• Advise the caller that any documents provided to the Hotline become the property of OSIG.</li> <li>• Request that the caller follow-up via the Hotline to ensure OSIG received the documents.</li> </ul>	No further action is required.
The caller wants to know how much longer the investigation will take.	Advise the caller that Hotline cases may take up to 60 days to investigate and extensions may be granted. Specific information about the length of time involved in the investigation cannot be disclosed.	No further action is required.
The caller wants to add a new allegation.	Take the allegation, but issue a new case number.	Follow the new case procedures.

# ***1006.1-1006.10: Conducting a Hotline Investigation***

## **Background**

This section provides guidance and suggestions for internal auditors and others, including OSIG staff, assigned to conduct Hotline investigations.

Hotline investigations will be conducted thoroughly with due diligence, using acceptable investigative and interview techniques appropriate for the situation. OSIG is available to assist in the development of appropriate investigative steps, interview questions and techniques. All investigative procedures will be documented and maintained as indicated below. OSIG may, from time to time, review investigative working papers regarding the quality and appropriateness of investigations and provide suggestions for improvement in future cases.

## **Objectives**

An investigation should be undertaken to:

- Determine if there is any validity to the allegation(s), and whether fraud, waste or abuse occurred. The IAD should make the agency head or applicable management aware of the Hotline investigation, but not provide the specific facts and nature of the case.
- Determine if the fraud, waste or abuse took place and the conditions and circumstances that contributed to the fraud, waste or abuse.
- Determine and propose corrective actions and internal controls be put into place to prevent future instances of the fraud, waste or abuse from occurring and/or to remediate the condition, such as recovering the loss.

## ***Policy 1006.1: Confidentiality and Security***

Executive Order No. 52 (2012) requires that strict confidentiality be maintained over the entire Hotline investigation (Policy 1001.1: Confidentiality and Security). All documents, working papers, notes, and reports associated with investigations shall be marked “Confidential State Fraud, Waste and Abuse Hotline Document” and properly secured.

## **Written Communications**

- Written communications with OSIG about Hotline cases are to be sent via USPS or delivered by hand, encrypted email, or password-protected document.
- Envelopes containing Hotline information should be marked "Confidential" when sent to OSIG.
- Under certain circumstances, communications may be sent via fax. Contact the OSIG prior to using this method of communication.
- Hotline reports and other sensitive documents may be transmitted electronically between OSIG and state agencies that possess digital encryption capabilities.

## **Hotline Document Custodians**

- IADs shall maintain all investigative documentation in a secure locked file or location, including encrypted electronic working paper databases.
- All such information, documentation, etc., is the property of OSIG and shall be so identified.
- OSIG may request that supporting information accompany investigative reports when submitted.

## ***Policy 1006.2: Assignment of Hotline Case Investigations***

The AIG Principles and Standards for Offices of Inspector General shall be followed when assigning and performing investigations. Specifically, the Direction and Control Standard and the Quality Assurance Standard set forth in the Quality Standards for Offices of Inspector General, and the Quality Control Standard in the Quality Standards for Investigations, should be followed as applicable.

Supervision adds expert judgment to the work done by less experienced staff and provides necessary training for them. Supervisors should satisfy themselves that investigators clearly understand their assigned tasks before starting the work. Team members should work cooperatively with each other and their supervisors to understand not only what work they are to do and how they are to proceed, but why the work is to be done and what it is expected to accomplish.

### **IAD**

Hotline cases are assigned by the OSIG to the respective agency IAD in cases where the agency has an IAP.

### **Exception**

The Investigations Manager will brief the State Inspector General and Deputy Inspector General on all investigations proposed to be performed in-house. These typically involve a cabinet secretary or member of their staff, an agency head, an at-will employee or an IAD or member of their staff.

Upon the determination that OSIG will perform the investigation, the State Inspector General (or designee) will notify the Chief of Staff or the appropriate cabinet secretary of any investigation of a cabinet secretary, an agency head, an at-will employee, or an IAD under their authority being conducted by OSIG.

Based on the attributes or materiality of the allegation(s), it may be appropriate to initially ask the cabinet secretary, agency head, at-will employee, or IAD about the validity of the allegation. This option will be discussed with, and approved by, the Deputy Inspector General.

### **Large State Agencies**

OSIG authorizes the IAD of a large agency with locations throughout the Commonwealth to delegate Hotline investigations to other responsible members of the agency management team.

### *Delegated Hotline Investigations*

For cases delegated by the IAD to other responsible members of the management team, the IAD shall:

- Take careful consideration of how much information to provide those outside the investigative process.
- Delegate to those individuals familiar with investigative techniques, confidentiality requirements, and Hotline policies.
- Contact OSIG if sufficient investigative personnel are not available.

## ***Policy 1006.3: Subject of the Allegation***

Hotline investigators should avoid alerting the subject of the allegation until they have completed reasonable steps to gather relevant evidence. The Hotline investigator should interview the subject of the allegation if the evidence corroborates the allegation, or if additional information from the subject will likely resolve the situation.

### **What are the subject's rights?**

Hotline investigators should remember that an anonymous tip initiated the investigation and the information provided could be false. Therefore, the Hotline investigator should conduct a reasonable amount of investigative work to determine whether or not the allegation appears to be factual, prior to interviewing the subject.

The Hotline investigator should:

- Maintain strict confidentiality to protect the reputation of the subject, especially for unfounded allegations.
- Be cognizant of the rights of the subject; in addition, keep in mind these are administrative investigations and not legal proceedings.

### *Legal Counsel*

As a matter of OSIG policy, subjects of administrative Hotline investigations are not permitted to have attorneys or legal counsel present during investigative interviews. OSIG is available to assist investigators in responding to such requests.

### *Grievances*

If a Hotline investigator is requested to appear before a panel during an administrative personnel hearing, s/he must contact the Investigations Manager regarding allowable disclosures of Hotline material.

### ***Policy 1006.4: Structure of a Hotline Investigation***

All investigations will be conducted in accordance with AIG Quality Standards for Investigations. Particular emphasis will be placed on the third general standard – Due Professional Care. ***Due professional care should be used in conducting investigations and in preparing accompanying reports.***

Investigations should be conducted in a diligent, objective, ethical, timely and complete manner, and reasonable steps should be taken to ensure that sufficient relevant evidence is collected; pertinent issues are sufficiently resolved; and appropriate criminal, civil, contractual or administrative remedies are considered.

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

Step	Action	Comments/Suggestions
1	Review the Hotline Investigative/ Complaint Report sheet to determine what alleged fraud, waste or abuse occurred and who the subject of the complaint is. If the allegation involves a criminal matter, the allegation will be referred to OSIG Investigations Unit.	Highlight the allegation (s) within the Investigative/Complaint Report sheet.
2	Determine if any further information is needed from the caller to conduct the investigation. If so, contact the OSIG Investigations Manager.	<ul style="list-style-type: none"> <li>• OSIG will place the Hotline case number on the after-hours message.</li> <li>• Once the complainant calls back, OSIG will gather the additional information, if available, and provide it to the IAD.</li> </ul>
3	Research if law, regulation, state and/or internal agency policy governs the allegation.	State references should include a review of the CAPP manual, PMIS, agency internal policy manuals, DHRM policy manual and others as appropriate.
4	Set the scope of the investigation, considering the evidence identified or provided by the complainant such as: <ul style="list-style-type: none"> <li>• Documentation</li> <li>• Witnesses</li> <li>• Method of concealment</li> <li>• Date of occurrence</li> </ul>	<ul style="list-style-type: none"> <li>• Develop investigative strategies to gather sufficient information about the details provided in the complaint to substantiate/refute allegations.</li> <li>• Decide what investigative techniques shall be used to corroborate or refute the allegations. Some examples of how to investigate allegations are provided below.</li> </ul>
5	Prepare a written work plan in accordance with the AIG's Quality Standards for Investigations. Effective planning provides the basis to clearly identify the investigative issues to be addressed prior to initiating the investigation and includes preparing a written investigative plan spelling out the objectives of the investigation and specific investigative steps to be performed. In this process sufficient effort should be undertaken to assure that investigative objectives will be met within anticipated time constraints of the assignment. In addition, adequate coordination can prevent unnecessary duplication of effort.	<p>An effective work plan will:</p> <ul style="list-style-type: none"> <li>• Guard against omitting important steps.</li> <li>• Keep the investigation organized and focused.</li> <li>• Track evidence and documents.</li> </ul> <p>The Investigations Manager will review and approve the detailed investigative work plan developed by the investigator prior to the start of the investigation.</p> <p>The Investigations Manager will obtain updates on the investigative process from the investigator, and be briefed as needed. If other allegations are discovered during the course of the investigation, these allegations must be thoroughly reviewed and approved by the Investigations Manager prior to further investigation.</p>

Step	Action	Comments/Suggestions
6	<p>Conduct a discrete and thorough investigation to obtain evidence and other documents to establish a reasonable basis for any opinion rendered regarding findings and recommendations for corrective action. Onsite investigations are preferable.</p>	<ul style="list-style-type: none"> <li>• Avoid alerting the subject during the early stages of the investigation. Hotline investigators may accomplish this by reminding those interviewed they should keep the information discussed confidential.</li> <li>• Never divulge the name of the subject of the investigation. That is, while it may be necessary to ask about X's activities, never tell a witness that X is the subject of a Hotline investigation.</li> <li>• Be alert to receiving misleading information.</li> <li>• Exercise caution to avoid disclosure of the nature of the Hotline investigation to unauthorized individuals.</li> <li>• Remember that an anonymous tip initiated the investigation and the allegation(s) could be false. Hotline investigators should maintain strict confidentiality to protect the reputation of the subject, especially for unfounded allegations. OSIG investigators should be especially cognizant of this when investigating a cabinet secretary, an agency head, an at-will employee, or an IAD.</li> <li>• Respect the rights of the subject.</li> <li>• Gather evidence: <ul style="list-style-type: none"> <li>○ Trace accounting entries.</li> <li>○ Recognize patterns in documents.</li> <li>○ Search electronic databases.</li> <li>○ Identify documents that appear forged or reconstructed.</li> <li>○ Conduct interviews of witnesses and subjects.</li> </ul> </li> </ul> <p>Maintain a high level of professionalism during the course of the investigation. For OSIG investigations, the investigator will keep the investigation and interviews of the allegations inside state government and will not use sources outside of state government to verify allegations without the approval of the Deputy Inspector General.</p>
7	<p>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>	<p>If the information gathered does not support the Hotline allegations, discontinue the investigation. (Remember, <u>Executive Order No. 52 (2012)</u> states that investigations be undertaken in the most cost-efficient manner.)</p>

Step	Action	Comments/Suggestions
8	<p>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> <p>The AIG’s Quality Standards for Investigations requires sufficient, competent and relevant evidence to be obtained to afford a reasonable basis for the investigative findings and conclusions.</p>	<p>Gathered evidence should enable the Hotline investigator to answer the following questions:</p> <ul style="list-style-type: none"> <li>• Did fraud, waste or abuse occur?</li> <li>• When did it occur?</li> <li>• What assets or accounts were involved?</li> <li>• What is the amount?</li> <li>• How was it committed?</li> <li>• Who else may have been involved?</li> </ul>
9	<p>Reach a conclusion based on the evidence gathered on whether fraud, waste or abuse occurred.</p>	<p>Be alert to 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.</p>
10	<p>If fraud, waste or abuse occurred:</p> <ul style="list-style-type: none"> <li>• Make recommendations to agency management to rectify the fraud, waste or abuse identified in the Hotline allegation.</li> <li>• Make recommendations to prevent similar future occurrences of fraud, waste or abuse from occurring.</li> <li>• Although recommendations that agencies consider corrective measures may be included, the OSIG does not propose or suggest disciplinary actions.</li> <li>• Make recommendations for recovery of any monies owed to the Commonwealth.</li> <li>• If there is a reasonable suspicion that a fraudulent transaction occurred, refer to <i>Code of Virginia</i> § 30-138 for reporting requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Report information to OSIG following established reporting guidelines (Policy 1007.1: Reporting Guidelines).</li> <li>• OSIG does not prescribe specific reporting guidelines for IADs to follow when reporting Hotline results and recommendation(s) to agency management. IADs should provide Hotline recommendations to senior agency management in the same manner other strictly confidential matters are reported.</li> <li>• All reports resulting from Hotline investigations are to be marked “Confidential State Fraud, Waste and Abuse Hotline Document.”</li> <li>• A copy of all reports issued by management that address Hotline recommendations shall be provided to OSIG.</li> <li>• IADs are the custodians of all working papers and any other documents relating to the Hotline investigation. These documents are to be maintained until OSIG informs IADs that the documents may be destroyed in accordance with the Library of Virginia record retention guidelines. To maintain confidentiality of the documents, IAD should perform the destruction of the documents.</li> <li>• All Hotline documents, reports and other information relating to a Hotline investigation are the property of OSIG.</li> </ul>

Step	Action	Comments/Suggestions
11	<p>Report results of the investigation to OSIG, rendering an opinion on whether or not the allegation was substantiated or unsubstantiated, partially substantiated, or inconclusive.</p> <p>The AIG’s Quality Standards for Investigations states that, where appropriate, investigative activity should result in a timely referral for criminal prosecution or written report. All reports shall present factual data accurately, fairly, and objectively, and present the results of the investigation in a persuasive manner.</p>	<p>See reporting section (Policy 1007.1: Reporting Guidelines) for more details.</p>

***Policy 1006.5: Gathering Evidence***

Various types of investigative techniques are used to gather the necessary evidence needed to substantiate or refute a Hotline allegation. For investigations performed by OSIG, the investigator will keep the investigation and interviews of the allegations inside state government and will not use sources outside of state government to verify allegations without the approval of the Deputy Inspector General. The AIG’s Quality Standards for Investigations requires sufficient, competent and relevant evidence to be obtained to afford a reasonable basis for the investigative findings and conclusions.

**What evidence is needed?**

A Hotline investigator must find sufficient, relevant and competent evidence to lead a reasonable person to substantiate, confirm or refute an allegation. Evidence should be gathered and reported in a fair, unbiased manner in an effort to determine the validity of alleged improprieties or evaluate the likelihood of violations of statutes, rules or regulations.

**What investigative techniques are involved?**

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

- Effectiveness—is it likely to uncover fraud, waste or abuse?
- Ease of use—investigator’s knowledge and comfort in the chosen method.
- Costs—the selected method may be cost-prohibitive in terms of time and resources, given the potential dollar amount of the allegation.
- Confidentiality—ability to gather evidence while maintaining the confidential nature of the investigation.

**Guidelines for Due Professional Care (From the third general standard in the AIG’s Quality Standards for Investigations in the Principles and Standards for Offices of Inspector General)**

Exercising due professional care means using good judgment in choosing investigation subjects and methodology as well as creating accurate and complete investigation documentation and investigative reports. Due professional care presumes a working knowledge consistent with investigation objectives.

Due professional care requires:

- Standards - OIGs and their investigators should follow AIG’s professional standards and comply with applicable standards of conduct.
- Thoroughness - Investigations should be conducted in a diligent and complete manner, and reasonable steps should be taken to ensure that sufficient relevant evidence is collected; pertinent issues are sufficiently resolved; and appropriate criminal, civil, contractual or administrative remedies are considered.
- Legal Requirements - Investigations should be initiated, conducted and reported in accordance with (a)all applicable laws, rules and regulations; (b)guidelines from applicable prosecutorial authorities; and (c)internal agency policies and procedures. Investigations will be conducted with due respect for rights and privacy of those involved.
- Appropriate Techniques - Methods and techniques used in each investigation should be appropriate for the circumstances and objectives.
- Objectivity - Evidence should be gathered and reported in a fair, unbiased manner in an effort to determine the validity of alleged improprieties or evaluate the likelihood of violations of statutes, rules or regulations.
- Ethics - At all times the actions of the OIG investigators should conform with the high standards expected of OIG staff.
- Timeliness - Investigations must be conducted in a timely manner while recognizing the individual complexities of each investigation.
- Accurate and Complete Documentation - Investigative findings, conclusions and outcomes (such as indictments, convictions and recoveries) should be supported by adequate documentation, including investigator notes, court orders of judgment and commitment, suspension or debarment notices, settlement agreements and other documents.
- Coordination - Appropriate OIG staff should coordinate investigations with appropriate officials. In cases where civil or administrative actions are necessary, appropriate OIG staff should coordinate actions with prosecutors and other appropriate officials.

### Evidence Types

Evidence	Definition	Examples of Investigative Technique(s)
Documentary	Written evidence on paper or electronic medium.	<ul style="list-style-type: none"> <li>• Examination of paper and electronic records and computer databases to obtain the documents.</li> <li>• Examinations, recompilations and financial analyses of records. Sample transactions and documents.</li> <li>• Extraction of data from databases.</li> </ul> Investigative findings, conclusions and outcomes should be supported by adequate documentation, including investigator notes in the case file.
Testimonial	Evidence obtained from the statements of individuals.	Interviews of witnesses and/or subjects.

Evidence	Definition	Examples of Investigative Technique(s)
Observational	Evidence of actions or behavior seen or heard by the Hotline investigator.	<ul style="list-style-type: none"> <li>• Observing a scene where alleged fraud, waste or abuse is expected to occur and recording observations of: <ul style="list-style-type: none"> <li>○ Physical facts</li> <li>○ Acts</li> <li>○ Movement on paper, tape or film</li> </ul> </li> <li>• Physical examination and confirmations with third parties.</li> </ul>
Special physical or forensic evidence (special OSIG authorization required)	Evidence gathered by using scientific techniques (e.g., fingerprints or handwriting analysis).	Consult with the OSIG Investigations Manager for guidance.

### ***Policy 1006.6: Gathering Testimonial and Documentary Evidence***

#### **Discovery Sampling for Documentary Evidence**

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. This technique is appropriate when it is too time consuming or expensive to manually evaluate all documents in an area unless there is evidence that fraud exists.

#### **Personal Observations**

The Hotline 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; and the identity of the persons observed (e.g., openly observing activity within a warehouse).

#### **Testimonial Evidence: Witness Interview**

Interview is an important investigative technique. In the Hotline context, it is generally a non-accusatory structured question and answer session held for a specific purpose. An interview is usually conducted to obtain new or corroborating information from neutral individuals or witnesses who are not suspected of involvement in the alleged fraud, waste or abuse. The questions are usually about agency policies, procedures and controls; any deviations observed and who deviated from the policies and procedures; leads or tips about possible suspects; and information about other possible witnesses. Note: Never divulge the name of the subject of the investigation. That is, while it may be necessary to ask about X's activities, never tell a witness that X is the subject of a Hotline investigation.

#### **Testimonial Evidence: Subject Interview**

An interview is a carefully controlled conversation with a subject. The purpose is to obtain information from the subject that cannot be obtained elsewhere; for example, a confession or evidence the suspect is not involved in the allegation. It is recommended that two investigators be present, with one serving as a note taker and witness.

### ***Policy 1006.7: Planning and Conducting an Interview***

The objective of an interview is to obtain truthful and complete disclosure of information with as little inconvenience to the interviewee as possible. For investigations involving a cabinet secretary, agency head, a member of the internal audit staff or an at-will employee, the Investigations Manager will review all interview questions developed by the investigator to ensure the questions are relevant to the allegations and the investigation. The Investigations Manager will periodically attend interviews with the investigators for staff

development and quality assurance efforts. The frequency of attending interviews will take into consideration the staff qualifications and experience levels of investigators.

Interviews of the cabinet secretary, agency head, at-will employee or IAD will be held in their office at a time convenient to their schedule. These executives will be told of the nature of the allegation prior to the interview. The Investigations Manager will attend all interviews involving these positions.

### Planning an Interview

Step	Action
Timing	The Hotline investigator should schedule the interview as soon as possible, but not before gathering sufficient evidence and information on which to base interview questions.
Advance notice	The amount of notice given to the interviewee should be carefully determined. Some circumstances provide the interviewee some advance notice so they can be better prepared to give informed answers and/or gather any supporting documents. Potentially adversarial interviews are frequently held on an unannounced basis.
Preparation	The investigator should gather as much information as possible about the allegation and the person to be interviewed (Policy 1006.5: Gathering Testimonial and Documentary Evidence). This will help the interviewer structure questions.
Physical location	The interview should be conducted in a quiet setting. The room should offer privacy away from interrupting coworkers and other distractions. Rooms should not be viewed as confining, and subjects and interviewees should feel free to leave at any time.
Room arrangement	The Hotline investigator should be seated in a place that allows for the best eye contact and proximity to the interviewee. Also, the investigator should not block the interviewee's ability to exit the room at any time during the interview.
Other considerations	The Hotline investigator should only interview one person at a time, both for privacy purposes and because one person may influence another.

### Conducting an Interview

Opening	Perform introductions and state the purpose of the interview. Do not divulge information that may identify the caller or other witnesses.
Middle	Obtain information about the allegation by asking questions. These types of questions are usually non-threatening and non-confrontational, and serve to obtain factual and unbiased information. Questions may be open-ended, close-ended or leading depending on the level of information the investigator is gathering.
Closing	Ask closing questions to summarize key facts and statements made during the interview to ensure they are correct. For example, 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.
Written Statements	Written statements by interviewees present valuable investigative evidence. Hotline investigators retain the discretion to request a written statement from an interviewee. It is recommended that statements be written by the interviewee and signed and dated by the interviewee and the investigator.
Summary	Summarize the results of the interview in writing as soon as possible after concluding the interview.

## Things to Consider

If interviewee is ...	Then consider ...
Friendly (helpful, volunteers information)	That the interviewee may sincerely want to help, or the interviewee may: <ul style="list-style-type: none"><li>• Be seeking revenge against the suspect.</li><li>• Be trying to deflect the investigator's attention.</li><li>• Be offering biased, false or irrelevant information.</li></ul>
Neutral	That the interviewee is providing the most unbiased information. It may be advisable to interview the neutral witness first.
Hostile	That the interviewee may: <ul style="list-style-type: none"><li>• Be associated with or friends with the suspect.</li><li>• Need to be persuaded to be interviewed.</li><li>• Need to be reminded that s/he is not suspected of involvement.</li><li>• Need to be reminded that the interview is an important use of his/her time.</li></ul> The interviewer should: <ul style="list-style-type: none"><li>• Display professional and non-judgmental attitude.</li><li>• Minimize facts that can make someone reluctant to be interviewed or inhibit an interview.</li></ul>

### *Policy 1006.8: Documenting an Interview*

Hotline investigators should use interview forms that contain the name of the interviewee, date, time and location of the interview, as well as the opening statement below. Interviewee responses to the Hotline investigator's questions are also 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, so that one can take detailed notes. If an interview is conducted in person, it is recommended that a Hotline investigator get the interviewee's signature or initials on the interview form.

### **Complex Cases**

A Hotline investigator may want to digitally or tape record an interviewee's responses in the event:

- An investigation concerns a sensitive issue.
- Reason to believe there is risk of possible denial by the interviewee.
- Questions have complex responses.

In such instances, request the interviewee's consent before recording and have them acknowledge their consent on the recording at the beginning of the interview.

### **Opening Interview Statement**

The following statement is an example of what can be read to all interviewees to clarify the level of confidentiality expected from the interviewee:

"We are conducting a confidential investigation on behalf of the State Fraud, Waste and Abuse Hotline in accordance with Executive Order No. 52 (2012). We will ask you to respond to some questions pertaining to this investigation 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 might compromise 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.”

### Interview Questions

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

Allegation	Typical Interview Questions
Procurement violations	<ul style="list-style-type: none"> <li>• What was purchased and what was the cost?</li> <li>• Who authorized the purchase?</li> <li>• Have the goods/services been received?</li> <li>• Has the agency paid the vendor for the goods or services?</li> <li>• What account name/number was the purchase charged to?</li> <li>• Did the procurement or purchase meet all state requirements?</li> </ul>
Leave abuse	<ul style="list-style-type: none"> <li>• Are alternate work schedules allowed?</li> <li>• Based on your observations, what is the subject’s set work hours?</li> <li>• When does the subject take lunch and breaks?</li> <li>• Physically, are you in a position to observe the subject when s/he enters or leaves her/his office? Is anyone else in a position to observe this?</li> <li>• 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?</li> <li>• Can you provide specific times and dates of leave abuse?</li> <li>• Are there sign-in/sign-out sheets, time clocks, electronic building/parking deck access records, or computer log on/off records? Are there any other records available to determine when the subject arrives or leaves?</li> <li>• If the subject leaves early, do you know where the subject goes?</li> <li>• If surveillance will be conducted, then also ask:               <ul style="list-style-type: none"> <li>○ What type of vehicle does the subject drive (make, model, color and license plate number)?</li> <li>○ Are there assigned parking spaces? Where does the subject normally park?</li> <li>○ 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.</li> <li>○ Where does the subject live? Do you know the route they go to/from work?</li> <li>○ How do you know whether leave forms are turned in?</li> <li>○ Does the subject work extended hours, nights or weekends?</li> <li>○ Is there a compensatory time policy?</li> </ul> </li> <li>• Does the agency have a telework policy?</li> </ul>

Allegation	Typical Interview Questions
State vehicle abuse	<ul style="list-style-type: none"> <li>• Is the subject permanently assigned a vehicle? If not, how does s/he obtain access to a state vehicle?</li> <li>• Describe the state vehicle (make, model, color, and license plate number).</li> <li>• For what business purpose would the subject need to use a state vehicle?</li> <li>• Does the subject drive the vehicle to and from work? If so, obtain the subject's home address.</li> <li>• Does the subject reimburse the Commonwealth for commuting miles?</li> <li>• If the vehicle is used for personal purposes, how is it used (e.g., subject drives to lunch, shops at the mall, etc.)? Obtain specific details.</li> <li>• Provide specific dates of when the vehicle abuse occurred and frequency.</li> <li>• If necessary, interview the agency Transportation Officers.</li> <li>• What is the agency policy regarding vehicle use?</li> </ul>
Travel	<ul style="list-style-type: none"> <li>• What was the date and time of the travel?</li> <li>• What was the travel destination or location of the occurrence?</li> <li>• What was the purpose of the travel?</li> <li>• Did anyone else travel with this individual? If so, please identify.</li> <li>• Was a travel claim voucher filed and reimbursement made?</li> <li>• Was the travel approved in compliance with policy?</li> </ul>
Phone abuse	<ul style="list-style-type: none"> <li>• What are the processes for monitoring employee use of an agency phone?</li> <li>• How do you know the phone calls are not related to state business?</li> <li>• Do you know who the subject is calling and the phone number called?</li> <li>• Are the phone calls long distance or local calls?</li> <li>• What evidence exists?</li> <li>• How long is the subject spending on personal phone calls?</li> <li>• Is the subject using the state-owned phone or a personal cell phone?</li> </ul>

<b>Allegation</b>	<b>Typical Interview Questions</b>
Private/ personal business on state time or use of state resources for personal business	<ul style="list-style-type: none"> <li>• Does the subject have an outside business or part-time job that s/he is working on while at work?</li> <li>• Describe the nature of the outside or personal business that is being conducted while at work.</li> <li>• What is the name of the business? Do you have a business card, pamphlet, or any other materials? If so, please provide.</li> <li>• How much time does the subject spend on this business each day? How long has this been going on?</li> <li>• Is the subject conducting the outside business during state working hours, on lunch break, or after working hours?</li> <li>• Does the subject come in early, work late, have an approved telework agreement, or work on weekends to make up the time?</li> <li>• What state resources is the subject using for outside business purposes (e.g., computer, copier, paper or other supplies, , Internet, etc.)?</li> <li>• Is the subject receiving and/or making phone calls? If so, to whom? How do you know the calls are not related to state business?</li> <li>• Do you have any evidence, such as copies of documents prepared?</li> <li>• Does the subject use other staff to assist in the work?</li> </ul>
Unauthorized use of a state computer	<ul style="list-style-type: none"> <li>• Does the subject prepare personal documents on his/her computer?</li> <li>• Is this done during state working hours, on lunch break or after working hours?</li> <li>• Describe the documents that were used or prepared. How much time was spent using or preparing the documents?</li> <li>• What is the subject of the documents?</li> <li>• Do you have copies of the documents? If so, please provide them to us.</li> <li>• Where are the documents saved (hard drive, CD, DVD, flash drive or network)?</li> <li>• Were there any other state resources used in preparing these documents, such as a copy machine or printer?</li> </ul>
Internet abuse	<ul style="list-style-type: none"> <li>• Does the subject have a separate logon to access the Internet?</li> <li>• What types of sites does the subject access?</li> <li>• Do you know of any specific site addresses?</li> <li>• Is the Internet access through the agency network or a private service provider?</li> </ul>

### Policy 1006.9: Hotline Interview and Other Techniques

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

Allegation	Symptoms	Detection Techniques
Leave abuse	<ul style="list-style-type: none"> <li>• Late arrivals, early departures, extended lunch breaks.</li> <li>• Failure to submit leave request forms.</li> <li>• Unable to keep up with workload.</li> <li>• Poor performance.</li> <li>• Official records indicate little or no use of annual or sick leave.</li> <li>• No set work hours.</li> </ul>	<ul style="list-style-type: none"> <li>• Personal observation.</li> <li>• Interview witnesses.</li> <li>• Search time and attendance records for patterns.</li> <li>• Monitor time of day of computer log on/off.</li> <li>• Monitor building access or parking lot access.</li> <li>• Review building access or parking lot access records.</li> </ul>
Abuse of phone	<ul style="list-style-type: none"> <li>• Increased number and duration of phone calls.</li> <li>• Out-of-state calls.</li> <li>• Poor agency system of reviewing and monitoring employee phone calls.</li> <li>• No internal agency phone policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Review phone records.</li> <li>• Interview witnesses.</li> <li>• Review phone message pads, if applicable.</li> <li>• Obtain records from the VITA/contracted vendor as needed.</li> <li>• Identify parties called as provided by the VITA/contracted vendor.</li> </ul>
Theft of cash	<ul style="list-style-type: none"> <li>• Cash receipts differ from normal or expected patterns.</li> <li>• Unusual amounts or patterns of cash overages/shortages.</li> <li>• Increased use of the petty cash fund or the inappropriate use of petty cash.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct surprise cash counts.</li> <li>• Make observations.</li> <li>• Interview witnesses.</li> <li>• Review supporting documentation</li> </ul>
Unfair hiring practices	<ul style="list-style-type: none"> <li>• Poor or insufficient documentation of the stages of the hiring process, such as the screening of applications.</li> <li>• Qualified applications are screened-out so that the favored applicant scores meet criteria for an interview.</li> <li>• Documents are missing, such as interview notes.</li> <li>• Screening criteria are not related to the position description.</li> </ul>	<ul style="list-style-type: none"> <li>• Examination of personnel and recruiting records.</li> <li>• Review the initial scoring of applications.</li> <li>• Interview all panel members.</li> <li>• Interview witnesses.</li> <li>• Review the qualifications of selected individuals.</li> <li>• Do agency employees believe that the individual is adequately performing the job duties?</li> </ul>

<b>Allegation</b>	<b>Symptoms</b>	<b>Detection Techniques</b>
Theft of inventory	<ul style="list-style-type: none"> <li>• Inventory discrepancies.</li> <li>• Inventory is lower than expected.</li> <li>• Inventory records are missing.</li> <li>• Poor internal controls over the inventory.</li> <li>• Inventory is not in the Commonwealth's Fixed Asset Accounting and Control System (FAACS).</li> </ul>	<ul style="list-style-type: none"> <li>• Make inventory comparisons.</li> <li>• Observe the inventory on site.</li> <li>• Perform surprise physical inventory counts.</li> <li>• Compare the current inventory report to the procurement and usage reconciliation records, and then compare it to the actual inventory.</li> </ul>
Theft of tablet computers, laptop computers or cell phones	<ul style="list-style-type: none"> <li>• Missing laptop computers, tablet computers or cell phone inventory records.</li> <li>• Poor internal controls over the laptop computers, tablet computers and cell phone inventory.</li> <li>• Tablet computers and cell phones are not in the Commonwealth's Fixed Asset Accounting and Control System (FAACS).</li> <li>• No internal inventory system.</li> <li>• No sign-out sheets are completed or required when taking a laptop or tablet computer home.</li> </ul>	<ul style="list-style-type: none"> <li>• Compare purchase records to the physical inventory.</li> <li>• Interview witnesses.</li> <li>• Perform surprise physical inventory counts.</li> <li>• Review inventory control records and requirements.</li> </ul>
Inflated hours on time sheets	<ul style="list-style-type: none"> <li>• Sloppy, altered or forged records.</li> <li>• No records.</li> <li>• Unable to keep up with workload.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the records.</li> <li>• Interview witnesses.</li> <li>• Search time and attendance records for patterns.</li> <li>• Monitor the time of day of the computer log on and log off.</li> <li>• Monitor the time of day of outgoing phone calls and emails.</li> <li>• Monitor the building access or the parking lot access.</li> </ul>
Procurement kickbacks	<ul style="list-style-type: none"> <li>• Improper segregation of duties.</li> <li>• Poor internal controls over purchasing.</li> <li>• No code of ethics or internal policy prohibiting certain types of gifts, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Interview witnesses.</li> <li>• Review employee's statement of economic interest form.</li> <li>• Review agency policies.</li> </ul>

### ***Policy 1006.10: Reaching a Conclusion Based on Evidence***

Once the appropriate documentation and evidence has been gathered and reviewed and all necessary interviews have been conducted, a conclusion should be reached regarding whether the allegation is substantiated or unsubstantiated. When there is more than one allegation, it may be necessary to conclude that some of the allegations are substantiated, while others are unsubstantiated. It is important to look at each allegation individually when drawing final conclusions.

The AIG’s Quality Standards for Investigations requires sufficient, competent and relevant evidence to be obtained to afford a reasonable basis for the investigative findings and conclusions. Evidence is sufficient if there is enough to support the report’s findings. Evidence used to support findings is relevant if it has logical, sensible relationships to those findings. Evidence is competent to the extent that it is consistent with fact (valid).

**Intent**

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

**Preponderance of Evidence**

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

**Witness Statements**

When determining whether an allegation has merit, all evidence gathered should be weighed, including witness statements. Absent supporting documentation or evidence to prove the allegation is true, reliance on witness statements, by themselves, can be risky. Normally, witness statements should lead to other evidence that can be proven, such as records or documents. While witness statements alone will not make the case, they can provide additional corroborating evidence that the allegation is true.

In cases involving the word of one witness against another, it will be difficult to substantiate an allegation. However, this does not prevent the investigator from stating in the report what each witness said. The Hotline investigator should refrain from offering an opinion as to which witness was the most truthful.

**Unsubstantiated, But Recommendations Made**

Hotline investigators may find that the allegation is unsubstantiated, but that policy changes or improvements in internal controls may help avoid future problems. In such cases, Hotline investigators may find the allegation unsubstantiated, but make appropriate recommendations as a part of the Hotline report.

*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 quick reference use only and does not include all applicable state codes, policies and regulations. Hotline investigators should refer to the regulations below for additional information and must also consider internal policies and procedures:

Topic	Reference	Summary
Hours of work	DHRM Policy-1.25	<ul style="list-style-type: none"> <li>• Work schedules</li> <li>• Alternate work schedules</li> <li>• Overtime hours</li> <li>• Lunch periods</li> <li>• Breaks</li> </ul>

Topic	Reference	Summary
Compensatory leave—exempt employees	DHRM Policy-3.10	<ul style="list-style-type: none"> <li>• Additional work hours for an exempt employee must be specifically authorized in advance by the agency head, or his/her designee.</li> <li>• Additional work hours are intended only to relieve specific peak workload needs and shall not be authorized to provide for continuous workload requirements.</li> <li>• Additional work hours do not include extra hours that an exempt employee independently determines are necessary to carry out his/her job responsibilities.</li> </ul>
Outside employment	State personnel policy under the DHRM's Policies and Procedures Manual, Standards of Conduct, DHRM Policy 1.60	<ul style="list-style-type: none"> <li>• Employees obtain approval from supervisor prior to accepting outside employment.</li> <li>• Employees complete a telework agreement that is kept on file in the agency.</li> </ul>
Phone policy	<ul style="list-style-type: none"> <li>• DOA's Commonwealth Accounting Policies and Procedures (CAPP) Manual, Section 20310, Expenditures.</li> <li>• VITA/Contracting vendor.</li> </ul>	<ul style="list-style-type: none"> <li>• The agency head or designee must authorize the acquisition and use of cell phones.</li> <li>• Recurring monthly billings must be received in the agency fiscal office.</li> <li>• VITA's general phone procedures state that Commonwealth-provided phone services are to be used for conducting official business only, and should not be used for personal or private purposes.</li> </ul>
State vehicle	DGS Fleet Management	<ul style="list-style-type: none"> <li>• Fleet vehicle use.</li> <li>• Commuting with fleet vehicles.</li> <li>• Enterprise contract vehicles.</li> </ul>
Petty cash	DOA's CAPP Manual Topic No. 20330, Petty Cash	<ul style="list-style-type: none"> <li>• Policy</li> <li>• Restrictions</li> </ul>
State travel policy	DOA's CAPP Manual Topic No. 20335, State Travel Regulations	<ul style="list-style-type: none"> <li>• Business meals</li> <li>• Commuting mileage</li> <li>• Conference procurement</li> <li>• Disallowed expenses</li> <li>• Lodging reimbursement rates</li> <li>• Meals and incidental travel expenses</li> <li>• Mileage rates</li> <li>• Overtime meals</li> <li>• Rental car</li> <li>• Travel charge cards</li> <li>• Travel in personal vehicle</li> <li>• Travel reimbursement requirements</li> </ul>

Topic	Reference	Summary
Small purchase charge card	DOA's CAPP Manual Topic No. 20355, Purchasing Charge Card	<ul style="list-style-type: none"> <li>Purchasing card security</li> <li>General requirements</li> </ul>
Small purchases	Agency Procurement and Surplus Property Manual (APSPM) Chapter 5	DGS—small purchases
Competitive procurements	APSPM Chapter 6 APSPM Chapter 7	DGS—competitive procurements
Sole source procurements	APSPM Chapter 8	DGS—sole source procurements
Emergency procurements	APSPM Chapter 9	DGS—emergency procurements
Standards of conduct	DHRM Policy 1.60	Standards for professional conduct
Procurement—ethics	<ul style="list-style-type: none"> <li><i>Code of Virginia</i></li> <li>Ethics in Public Contracting</li> </ul>	<ul style="list-style-type: none"> <li><i>Code of Virginia</i> § 2.2-4300 ... All procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety ...</li> <li><i>Code of Virginia</i> § 2.2-4368 ... 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 ...</li> <li><i>Code of Virginia</i> § 2.2-4371 ... 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 ...</li> </ul>
Procurement	APSPM Section 3.22	State procurement policy requires that ... all state employees having official responsibility for procurement transactions shall conduct business with vendors in a manner above reproach in every respect ...
State and local government Conflict of Interests Act.	<i>Code of Virginia</i> § 2.2-3106 A, the State and Local Government Conflict of Interests Act.	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.
Hiring	DHRM Policy 2.10	Includes recruitment, screening, and selection.
Compensation	DHRM Policy 3.05	Encompasses all pay practices to include starting pay, temporary pay, role changes and in-band adjustments.
Expenditures	DOA's 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 No. 52 (2012), The State Fraud, Waste and Abuse Hotline
- Association of Inspectors General Principles and Standards for Offices of Inspector General
- DOA—CAPP Manual
- DGS—APSPM
- DGS—Division of Fleet Management, Rules & Regulations
- DHRM—Human Resource Policies and Procedures Manual

## Subject Cross References

- *Code of Virginia*, § 30-138, state agencies, courts, and local constitutional officers to report certain fraudulent transactions to the VSP APA.
- *Code of Virginia*, § 2.2-3705.3, Virginia Freedom of Information Act; exemptions.
- *Code of Virginia*, § 2.2-307, et seq., OSIG.

## Records Retention

Copies of Hotline reports and Hotline working papers are to be maintained by the relevant agency IAD and OSIG for three years after the case is closed. OSIG annually informs IAPs of case files that shall be destroyed. See the Library of Virginia Records Retention and Disposition Schedule No. 101, “Investigative Files, Records, or Reports.”

## ***1007.1–1007.4: Reporting***

This chapter addresses agency IADs’ responsibilities for submitting Hotline reports to OSIG and appropriate management, including Boards of Visitors at state universities.

The AIG’s Quality Standards for Investigations states that where appropriate, investigative activity should result in a timely referral for criminal prosecution or written report (a written report is most likely for Hotline investigations as they are administrative rather than criminal in nature). All reports shall present factual data accurately, fairly and objectively, and present the results of the investigation in a persuasive manner.

### ***Policy 1007.1: Summary Reports***

As a general rule, Hotline reports should not be released to anyone other than OSIG. However, it may be prudent 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 the members 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 necessary. It is imperative that the callers’ and witnesses’ identities are protected, and that summary reports do not disclose information that may compromise their identities.

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

- The summary report should be limited to a statement that an investigation was completed. The summary report should state the finding(s) and the recommended corrective action(s).
- It is permissible, though not required, to make recommendations for corrective actions in the summary report.
- As is the case with Hotline investigative reports, Hotline summary reports shall not include recommendations regarding disciplinary or adverse personnel actions.
- Summary reports and support documents may be issued to agency management and/or grievance hearing officers to effect and review corrective and/or disciplinary actions.
- The summary report should be carefully prepared to exclude information that may reveal the identity of witnesses. 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 date of call or other information that might identify the caller or witnesses.
- The summary report does not require the “Confidential State, Fraud, Waste and Abuse Hotline Document” stamp. (See section 1007.4)

### ***Policy 1007.2: Report Guidelines***

#### **Due Date**

Hotline cases impose a report due date of 60 days from the assignment of the case; however, extensions may be granted (see [Case Assignment Methodology](#)).

#### **Report Format**

While there is no particular format for the report to be submitted to OSIG, the content of all reports should be similar. Agency IADs will provide a report to OSIG that includes the information contained in this section.

#### **Required Report Elements**

- **Case number**—Five digit number that is included on the case referral form provided to investigators.
- **Amount of funds**—Funds involved in the identified and confirmed fraud, waste or abuse.

- **Nature of the complaint**—Hotline referrals are written in a narrative form that closely corresponds to the actual conversation that was held during the original Hotline call, and, as such, includes allegations and other information related to the investigation. Hotline investigators should include the specific allegations in clear and concise narrative form, or in a list.
- **Investigative techniques or scope**—The Hotline investigator should include a statement of the investigative techniques used. 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 more effective to separate the investigative techniques by allegation. This section may either be 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.
- **Results of the investigation, savings identified, and recoveries and/or restitution expected to be received**—The results of the investigative section should include the Hotline investigator’s observations and conclusions made throughout the course of the investigation, including other internal control or compliance issues not specifically related to the allegations and any recommendations.
- **Hotline investigator’s conclusions**—Cases should be concluded as “substantiated,” “partially substantiated,” “unsubstantiated,” or “inconclusive.” (The Hotline adheres to the “preponderance of evidence” legal standard).
  - A substantiated allegation reflects evidence that indicates that fraud, waste or abuse occurred. The Hotline investigator’s conclusion must go beyond merely confirming whether information contained in the allegations is factual. Substantiated “conclusions” mean the facts disclosed during the investigation confirm the allegation of wrongdoing presented by the complainant.
  - An unsubstantiated allegation reflects evidence that indicates that fraud, waste or abuse has not occurred. Unsubstantiated “conclusions” mean the facts disclosed during the investigation do not confirm the allegation of wrongdoing presented by the complainant.
  - An inconclusive allegation reflects that evidence reviewed does not conclusively indicate that fraud, waste or abuse has/has not occurred.
  - If the case contains more than one allegation, there should be a conclusion for each allegation investigated.
- **Internal control weaknesses identified**—If the investigator is unable to reach a substantiated conclusion regarding an allegation, yet internal control weaknesses or compliance issues are identified, the investigator should identify the weaknesses in the report and provide recommendations to address these issues.
- **Corrective actions recommended, planned or taken (no disciplinary recommendations)**—Absent 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 taken as of the report date, since some corrective actions are implemented over a period of time. Hotline investigators should obtain a commitment from agency management as to when corrective action will be taken. The Hotline investigator should document the same in the Hotline report.
- **Name**—The name of the subject of the complaint.
- **Internal control weaknesses identified and corrected**—The report should address the conditions that gave rise to “substantiated” fraud, waste or abuse. The report should address weaknesses in the system of internal controls and the recommendations to correct those weaknesses. The disclosures about internal control weaknesses and recommended corrective actions should be specific.
- **Cost of investigation (including man-hours)**—The report must 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 specific detail, but the

Hotline investigator should have a documented basis for the reported costs included with the investigative notes. Fringe benefits and/or administrative costs should be included. Reasonable estimates are acceptable.

- **Funds identified**—The report should state the amount of lost funds identified as the amount directly attributed to the fraud, waste or abuse. The amount of funds involved should be reported to include three components:
  - *Finding*—The amount of fraud, waste or abuse identified. For example, this may be the dollar value of leave abused.
  - *Recovery*—The funds that were recovered as a result of the investigation. For example, restitution. Restitution may include leave slips processed for back leave owed, or 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 period for any reported future savings, i.e., over what time period will the savings be realized.

*Case Closure:* A case investigated by an agency IAD is considered “closed” when OSIG has received, reviewed and accepted the investigative report. A case investigated by OSIG is considered “closed” when a response to the investigative report has been received and accepted by OSIG. Investigations involving recommendations for corrective action impose an obligation to follow up, within an appropriate timeframe, to determine that the recommended corrective actions have been taken by management. Appropriate steps should be taken by the IAD or OSIG to ensure the corrective actions have been properly addressed and documented.

*Quarterly Report:* Each calendar quarter OSIG will send IADs a list of cases remaining open longer than 60 days. IADs are asked to review the list and identify discrepancies between their records and OSIG’s. Such conflicts may include open cases the agency did not receive or cases for which a report was submitted, but have not been closed by OSIG.

*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 in *Code of Virginia* § 30-138, the agency head or designee is required to notify the APA and VSP, as well as OSIG.

Note: Type of disciplinary action—It is not the investigator’s responsibility to recommend disciplinary action or follow up to determine if disciplinary action was taken. Reference to disciplinary action taken should not be included in the report.

### ***Policy 1007.3: Documentation and Confidentiality***

#### **Information/Documentation Maintenance and Ownership**

All information/documentation supporting Hotline investigations and any corrective actions taken shall be maintained at the agency in a secure manner. All such information, documentation, etc. is the property of OSIG and shall be so identified. OSIG may request that supporting information accompany formal reports. All supporting documentation and information must be stamped or identified as “Confidential State Fraud, Waste and Abuse Hotline Document.”

Investigations, interviews and information relating to investigations are not to be shared, discussed or given to anyone not authorized to be involved in the Hotline investigation or its review (Policy 1001.1: Confidentiality and Security).

## **Information Requests**

If an agency should receive a request for information regarding a Hotline investigation, either through FOIA or other means, the requestor should be referred to OSIG. Under no circumstances should the agency provide any information to the requestor.

### ***Policy 1007.4: Confidentiality Stamp Use***

Strict confidentiality must be maintained during the entire Hotline investigation (Policy 1001.1: Confidentiality and Security). All documents, working papers, notes and reports associated with the investigation are to be marked “Confidential State Fraud, Waste and Abuse Hotline Document.” Electronic records should include a header or footer with this statement. The only exception to this policy is the summary report provided to a governing board or agency management. The summary report does not require the “Confidential State Fraud, Waste and Abuse Hotline Document” stamp. This exception serves to accommodate the unique management needs of multiple boards and agencies. (The summary report does not contain the detailed or specific information addressed in the full investigative report and therefore, does not require secure handling.)

Hotline documents that are transmitted by digital encryption are considered “secure” and do not require the confidentiality stamp. However, in the event Hotline documents are removed from an encrypted file, they must be stamped confidential.

## **OSIG Contact**

Please contact OSIG for any further information regarding this manual.

Investigations Manager

☎ 804-418-4842

✉ [COVHotline@osig.virginia.gov](mailto:COVHotline@osig.virginia.gov)

## 1008.1: Quality Assurance Reviews

This chapter addresses OSIG's responsibility for ensuring quality assurance of Hotline investigations performed by IADs.

The AIG's Quality Standards for Investigations states that the Office of Inspector General should establish and maintain a quality assurance program to ensure that work performed adheres to established policies and procedures, meets established standards of performance, and is carried out economically, efficiently, and effectively.

Following is the Quality Assurance Program that OSIG uses to evaluate the Hotline programs at state agencies, institutions, and universities:

1. Obtain an overview of the procedures the IAD follows upon receipt of a hotline case from OSIG. Determine if these procedures are recorded manually or electronically. If so, review a copy for reasonableness. If not, a management letter comment recommending that the procedures be documented should be made.
2. Through interviews and observation determine and assess the method used to maintain and protect the confidentiality of the hotline case work papers. Ensure that the work papers are properly secured when staff leaves at night and upon completion of the investigation.
3. Through interviews and observation of paper and electronic documents determine if work papers are marked "Confidential State Employee Hotline Document."
4. Determine the appropriateness hotline case assignment to staff.
5. Determine if those performing hotline investigations are knowledgeable of the Hotline policies and procedures. Review the staff's Employee Work Profile (EWP) to ensure that s/he possesses the skills necessary to conduct a confidential investigation.
6. Determine if a standard investigative program is used to perform investigations. If not, assess the methodology used by the investigator for adequacy. If so, determine if the program incorporates (in some form) the following elements:
  - The nature of the complaint (case write-up).
  - The need for additional information from the caller and, if so, documentation that the OSIG was notified of the need.
  - A list of applicable laws, policies, and regulations that may pertain to the allegations.
  - The scope of the investigation.
  - A work plan.
  - The performance of a discrete and thorough on-site investigation to obtain evidence and other documentation from which to establish a reasonable basis for the opinion rendered.
  - The accumulation of evidence in the form of work papers which disproves or substantiates the allegations.
  - A conclusion.
  - Appropriate recommendations (where applicable) to management.
  - A copy of the investigative report that was sent to OSIG.
7. Select and test a sample of Hotline cases from the OSIG Hotline database for the agency/university from the last three fiscal years. For each case selected determine that:
  - The investigative scope addressed the allegations.

- The investigation was supported by work papers in the form of memos, interview notes, analysis, and other documentation.
  - The investigative techniques used appeared to be efficient and were an effective method to substantiate or disprove the fraud, waste or abuse allegations.
  - Adequate supervisory review of the work papers prepared, the conclusions reached, and the report written was performed in audit departments with more than one person.
  - The investigation was completed timely (within 60 days of receipt) or appropriate extensions were requested.
  - Report details are supported in the work papers by sufficient and appropriate documentation.
  - If a reasonable suspicion that a fraudulent transaction occurred, the APA and VSP were notified.
  - The report contains the required report elements as stated in the Hotline Policies and Procedures Manual.
  - If a summary report was sent to management, it was prepared following the summary report guidelines.
8. Discuss with the IAD how s/he handles FOIA requests, requests from subjects and requests from management for hotline-related work papers or reports.
  9. Discuss with the IAD how s/he complies with the state's record retention policies with respect to old Hotline case work papers and reports.
  10. Prepare a report to document the results of the review performed. If the review generated recommendations, provide the IAD an opportunity to review them and provide a response.
  11. Once the response from the IAD has been received and the report has been amended to correct any errors, give the report to the State Inspector General or designee for his/her review. After review, issue a report to the IAD with a copy to his/her supervisor.
  12. Inquire if the IAD has any questions about how the hotline process works or if s/he has any suggestions for improving the process.
  13. Ask the IAD if the agency has received any Hotline posters. If so, has the agency displayed them on employee bulletin boards and in other public areas? If not, ask if the IAD would like some for display purposes.