



A Report  
to the  
Citizens  
of  
Salt Lake  
County,  
the Mayor,  
and the  
County  
Council

An Investigation of the

# Salt Lake County Community Resources and Development Division's AmeriCorps Program

December 2011

Gregory P. Hawkins  
Salt Lake County Auditor



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## I. Executive Summary

This report is the culmination of a year-long joint investigation by the County Auditor and the Federal Bureau of Investigation into the County Mayor's Division of Community Resources and Development (CRD) Division AmeriCorps Program. The investigation was requested by the County's Division of Human Resources (HR) and the District Attorney's Office (DA).

### Outcome of this Investigation

As a result of the investigation, Richard Parks (Parks), the CRD Division's AmeriCorps Program Director, has been charged with multiple counts each of:

- State and Local Program Fraud (Title 18, § 666 U.S.C.)
- Fraudulent Statements or Representations (Title 18 § 1001 U.S.C.)
- Mail Fraud (Title 18 § 1341 U.S.C.)
- Wire Fraud (Title 18 § 1343 U.S.C.)

The audit and related investigations and interviews uncovered a pattern of violations of federal criminal statutes by Parks. The details of the statutes noted above are in Appendix A.

Additionally, the Auditor's Office recommends that the County Mayor and Council pursue appropriate administrative disciplinary actions against the administrative and fiscal staff of the CRD Division for their lack of due care in overseeing and enforcing a system of internal controls that could have detected and might have prevented this fraudulent and deceptive misuse of federal grant funds.

### Applicable AmeriCorps Provisions and Regulations, and County Policies

The State of Utah is an AmeriCorps grantee. Under the 2007 AmeriCorps grant provisions, the grantee agrees that:

*By accepting funds under an AmeriCorps grant, the grantee agrees to comply with the AmeriCorps Provisions, all applicable federal statutes, regulations and guidelines, and any amendments thereto. The grantee agrees to operate the funded Program in accordance with the approved grant application and budget, supporting documents, and other representations made in support of the approved grant application. The grantee agrees to include in all sub-grants the applicable terms and conditions contained in this award. (Emphasis added)*

The 2008 AmeriCorps grant provisions emphasize "the term grantee is used to connote either grantee or sub-grantee, as appropriate, throughout these Provisions."

The State AmeriCorps Program Manager, LaDawn Stoddard (Stoddard) works for the Utah State Commission on Volunteers and has oversight responsibilities for its sub-grantees. Salt Lake County is one of those sub-grantees. Although the State oversees the AmeriCorps grant, Parks reports to Michael Gallegos, (Gallegos), the Division Director of

Community Resources and Development. These functions of the CRD Division fall under the County Mayor's administration in the Department of Human Services.

In the course of our investigation, we discovered a remarkable lack of administrative due care. The administrators of this program, at both the State and County levels, owed an administrative duty to care for and provide oversight of this program. We concluded that obligation of due care was neglected in numerous instances and at all levels of administration. This resulted in wrongful acts, some illegal and others negligently administered.

The responsibility for exercising due care and oversight by grantees and sub-grantees is clearly outlined in excerpts from AmeriCorps grant provisions and Countywide policies highlighted below:

- The 2007 AmeriCorps Grant Provisions, Section V. General Provisions, **Subsection A. Responsibilities Under Grant Administration**

1. *Accountability of Grantee. The grantee has full fiscal and programmatic responsibility for managing all aspects of the grant and grant-supported activities, subject to the oversight of the Corporation. The grantee is accountable to the Corporation for its operation of the AmeriCorps Program and the use of Corporation grant funds. The grantee must expend grant funds in a judicious and reasonable manner, and it must record accurately the service activities and outcomes achieved under the grant.*

**Subsection B. Financial Management Standards**

1. *General. The grantee must maintain financial management systems that include standard accounting practices, sufficient internal controls, a clear audit trail and written cost allocation procedures, as necessary. Financial management systems must be capable of distinguishing expenditures attributable to this grant from expenditures not attributable to this grant. The systems must be able to identify costs by programmatic year and by budget category and to differentiate between direct and indirect costs or administrative costs.*
- Salt Lake County Human Resources Policy #5702 - *Standards Of Conduct*
    - I. **Policy** - *Salt Lake County employees are expected to observe the highest standards of professionalism at all times. Employees are expected to accept their work responsibilities, adhere to acceptable business practices in matters of personal conduct, and exhibit a high degree of professionalism at all times. This involves respect for the rights and personal views of others, and it demands that employees refrain from any behavior, to include harassment based on race, color, national origin, religion, age, disability, gender, sexual orientation, and marital status, that might be harmful to the employee, his or her co-workers, the public at large or to Salt Lake County.*
    - II. **Procedure** - *1.0 Types of behavior Salt Lake County considers to be in violation of County policies or inappropriate include, but are not limited to, the following:*



- 1.1 *Falsifying any documents to be received or used by County government including, but not limited to, employment applications and related documents, work related records, time cards, etc.*
- 1.18 *Engaging in behavior of a sexual nature in violation of Human Resources Policy & Procedure: Sexual Harassment.*
- 1.27 *Malfeasance, nonfeasance or acts inimical to the public service.*

### Pattern of Criminal Activity by Parks

Our review of official records and payroll transactions uncovered a pattern of fraudulent deception by Parks that was repeated with respect to each AmeriCorps member (member) enrolled to perform service for New Frontiers for Families (New Frontiers) at the House Just off Bluff (the House), and later at the Volunteer Center of Washington County (VCWC). Some of these fraudulent and deceptive acts are outlined below:

1. He authorized members to be paid at a full-time rate, when official records indicated enrollment as half-time members, which required misrepresentations and/or overrides of the County's payroll enrollment procedures and systems.
2. He was aware that Michelle Benward (Benward), Clinical Director for New Frontiers at the House (Clinical Director) was a paid officer/director of the AmeriCorps host-site organization, New Frontiers, yet enrolled her as an AmeriCorps member in violation of federal regulations.
3. He verbally authorized Benward to report significant hours spent in commute time as direct service hours in violation of AmeriCorps regulations. He officially approved those hours to count toward an education award, which could only be granted upon completion of qualifying activities during her term of service.
4. He either participated in preparation of, or accepted fraudulently prepared and signed program documents, i.e., enrollment forms, performance evaluations, and exit forms, with respect to the members.
5. He certified on some members' *Exit Forms* that they were eligible for education awards, related to both their first and second terms, when, in fact, they had not met the requirements. This was accomplished by directly falsifying time and attendance records and directing his staff to make bogus entries into the official AmeriCorps certification system, Web-Based Reporting System (WBRS), as eligible service hours completed by members.
6. He approved cash bonuses for members, presumably as incentives to re-enroll as members for a second term. However, the awards were paid across the board to the members without regard to their term of service status. These incentive awards were disallowed by State AmeriCorps officials, and had to be paid out of County general funds with no evidence of proper CRD Division administrative authorization.
7. He took no action when members failed to submit time sheets for periods ranging from 4 to 23 weeks during their terms of service. In one instance,

a member was not even participating in an approved, contracted program during the periods of non-submission, yet the member continued to receive a semi-monthly living allowance.

8. He falsified or participated in falsifying weekly time sheets for the members that served at the House and the VCWC in St. George. See Appendix B for a summary of issues found in member time sheets.

#### Failure to Provide Oversight and Lack of Due Care

1. County CRD Division Management.

The lack of due care by County CRD Division management contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.

- a. **CRD Division Director, Michael Gallegos, (Gallegos).** Gallegos had overall administrative responsibility for the County's AmeriCorps Program. Parks reports to Gallegos through the Associate Director. Gallegos' approved and signed payroll authorizations and some official records that were fraudulently prepared and forwarded by Parks.

The investigation showed that there was a lack of due care by Gallegos. Parks' statement during his interview disclosed a passive interest by Gallegos in this "special" program run by a Garfield County non-profit, operating a home for displaced boys in Washington County. This lack of effective oversight provided the opportunity for Parks to perpetrate the fraudulent misrepresentation of official records and bogus payroll transactions that persisted for nearly three years.

- b. **CRD Division Associate Director, Kerry Steadman, (Steadman).** Steadman was responsible for evaluating the performance of Parks, who reported directly to him. He was also a member of the CRD Division's executive committee, which meets to review each AmeriCorps host-site contract to evaluate whether the contract is in the best interest of the County and can be adequately funded.

We reviewed Parks' official performance evaluation records for periods ending February 15, 2007 through 2010. Steadman had high praise for Parks' work, rating him as meeting and sometimes exceeding expectations. We noted that the "Expectations" section of the performance evaluations: 1) read more like phrases from a job description, 2) were exactly the same each year, and 3) were given the same weighting each year. Excerpts from each year's narrative by Steadman are in Section 4 of this report.

- c. **CRD Division Fiscal Manager, Jared Steffey, (Steffey).** As the CRD Division's Fiscal Manager, Steffey worked closely with Parks on all of the financial aspects of the AmeriCorps grant. In our opinion, the fraud perpetrated by Parks could have been detected and possibly prevented if a strong set of fiscal internal controls were in place. CRD Division management displayed a trusting attitude towards all aspects of Parks' administration of the AmeriCorps Program, and failed to institute any meaningful internal controls over the

processes for which Parks was responsible. An example of the lack of internal control came to light during several interviews with Steffey.

He described the payroll authorization and enrollment process for members using *County Personnel Action Form, CP-4 (CP-4 Form)*. Parks completed the *CP-4 Form* indicating the approved semi-monthly pay and Gallegos signed off indicating approval. However, Steffey admitted that there was no additional verification, such as a review of the member's contract, to independently validate that the amount approved on the *CP-4 Form* corresponded to the amount on the member's contract. He relied solely on the word of Parks.

He further explained that if the wrong pay amount was entered, Parks should have caught it during his review of the payroll authorization list. Steffey verified that Parks, or his assistant, signed each of the payroll authorization lists to indicate approval of the payroll amounts.

Steffey was surprised when we reviewed with him documentation that clearly showed that members' living allowances, per their *Member Contracts*, did not match the amount approved on the *CP-4 Form*, signed by Parks, and approved by Gallegos.

## 2. State AmeriCorps Program Management

The State's approach to monitoring only at the program level contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.

**State AmeriCorps Program Manager, LaDawn Stoddard, (Stoddard).** Stoddard serves as the State AmeriCorps Program Manager. From 2006 to 2009, the CRD Division's AmeriCorps Program was administered and monitored by the State AmeriCorps Program.

From our interview with Stoddard and the program monitor, we concluded the following:

1. Although she should have been able to determine that Benward was both an employee of New Frontiers and an AmeriCorps member, which is prohibited by AmeriCorps regulations, she took no action.
2. She was made aware of timesheet issues by both the County's AmeriCorps Program Assistant and the State's Community and Culture Division's auditor and took no action to independently investigate or provide oversight assistance.
3. Although she was aware of citizen complaints about the House project and the zoning issues with the City of St. George, she assumed that Parks had done his due diligence before entering into an agreement with New Frontiers. She stated that she wondered if the House project was an efficient use of the AmeriCorps program's time and resources. However, she took no action to determine whether the issues had been resolved.

4. Although charged with the State's AmeriCorps grant monitoring responsibility, she seemed to have limited mastery of the various federal rules, regulations, and grant provisions that provide fiscal and programmatic structure to the AmeriCorps program. For example, she hesitated when questioned about whether the excessive commuting time reported as service hours by Benward could be counted toward her AmeriCorps service commitment, when it is not a direct service activity.

Section 4.0 of this report provides more detail on these findings and opinions regarding administrative lack of due care which we concluded from documentary evidence and follow up interviews.

#### Elements of Fraud

The "fraud triangle" helps explain the nature of many occupational offenders. The acts of Parks can be explained by the elements of the fraud triangle, which are the following:

- **Pressures** - on the perpetrator, either financial or personal
- **Opportunity** - in the system created by lax oversight and weak internal controls
- **Rationalization** – by the perpetrator that he/she deserves more and is taking very little

**Pressures.** Our investigation revealed that Parks' job depended solely on funding from the AmeriCorps grant. This appeared to create pressures on Parks to continue the AmeriCorps program and ensure its success. The pressures were compounded by his own lack of judgment in recruiting members with which he had a long history, then entering into a sexual relationship with one of them. This created conflicts and pressures that fed his acts of deceit and fraud. Secondary pressures appear to have come from the State legislature and the Attorney General's office to expedite a program and facility to help the Lost Boys. Lastly, Jeremy Johnson's roles, directly related to the House project and New Frontiers, currently under investigation by federal authorities, may have created additional pressures on Parks.

**Opportunity.** The County's CRD Division directors had direct responsibility for the effective and efficient administration by Parks of the AmeriCorps grant funds. Our investigation shows that they placed an undeserved degree of trust in Parks. Their failure to provide effective oversight of the AmeriCorps grant funds provided Parks the opportunity to carry out his deceptive acts, even directly involving these administrators. Likewise, the State AmeriCorps Program monitoring approach was not then focused at a level of detailed inquiry that might have uncovered Parks' fraudulent acts. We concluded that Parks understood these weaknesses in the environment and exploited them to his advantage.

**Rationalization.** Parks may have rationalized his actions by convincing himself that this relatively small AmeriCorps operation, that was both geographically and administratively remote, would not attract the attention of his superiors or State program monitors. His long history with two AmeriCorps members who served at the House, and were employed by New Frontiers, may have influenced his actions. Whatever the explanation, these factors seemed to facilitate his choice to manipulate and override the system.

If the CRD Division continues to apply for and receive AmeriCorps grant funding, we recommend a thorough review of all duties and responsibilities of County employees assigned to administer these grant programs, to ensure effective internal controls over the process.



## II. Introduction

From October 2006 to October 2008, Salt Lake County (the County) entered into an arrangement with the non-profit organization New Frontiers for Families (New Frontiers) and its House Just off Bluff (the House) project in St. George, Utah. The purpose of the arrangement was to enable New Frontiers to participate in the County Community Resources and Development (CRD) Division's AmeriCorps Program, so that the County could provide the necessary AmeriCorps grant funds to allow AmeriCorps members (members) to work at the House. This arrangement was not contractually formalized until May 1, 2008, with an effective date of July 1, 2008, nearly 21 months into the arrangement. See Appendix C for a hierarchy of the flow of AmeriCorps grant funds.

However, the House project began operating sometime in late 2006 or early 2007 under the direction of New Frontiers and the organization's employees and directors. New Frontiers solicited and received grant funds from the State of Utah (the State) as well as the donated use of the House by a local philanthropist, Jeremy Johnson, to begin the House project. Johnson has long been a public figure due to his philanthropic endeavors and his recent indictment on federal complaints and charges related to the operation of his web-based business, I-Works, and related entities.

The House was initially operated under the umbrella of the County's AmeriCorps Building Utah's Capacity to End Chronic Homelessness (ABUCECH) program. It was intended to serve as a halfway house for the Lost Boys that had either left or been expelled from the Fundamentalist Church of Latter Day Saints (FLDS) communities in southern Utah and northern Arizona.

Their stories of financial hardship and homelessness, after being expelled, gained local and national media attention. Several of the Lost Boys soon found themselves the subjects of newspaper articles that appeared in the New York Times and as guests on talk shows that aired on national television.

The House project was forced to cease operations in October 2008 amid allegations that Michelle Benward (Benward), appointed as the Clinical Director of New Frontiers for the House was not properly licensed. In addition, New Frontiers failed to acquire the proper zoning approval from the city of St. George for the House. The County ended its contract with New Frontiers in October 2008 and terminated the remaining members who were serving at the House.

*Representatives from HR and the DA's Office met to discuss allegations of employee misconduct and possible fraud.*

On December 7, 2010, representatives from the County's Division of Human Resources (HR) and the Salt Lake County District Attorney's Office (DA) met with the Auditor's Office, to

discuss allegations of employee misconduct and possible fraud perpetrated by Parks.

Emails obtained by HR raised concerns that Parks had intentionally falsified time sheets for the members that served at the House under his direction, and that he had used his position to allow AmeriCorps grant funds to be disbursed to members who had not abided by the terms of the AmeriCorps grant provisions or their member contracts.

The allegations against Parks were brought by Benward who, as previously noted, had worked as the Clinical Director of the House project. She gave details of her involvement with the House project, including the fact that her sister, Jami Christensen (Christensen), had served as one of the members at the House. Benward revealed that Christensen had passed away on July 28, 2010, and, that emails obtained from her sister's email account after her passing, led Benward to believe that Parks relationship with Christensen may have played a role in her untimely death.

Benward concluded through reading the emails and through her conversations with Christensen just prior to her death that Parks used his position to pressure her sister into a sexual relationship. Although Parks admitted to having a relationship with Christensen, he denied that he pressured her into that relationship. The relationship lasted throughout Christensen's AmeriCorps service at the House and, later, when she served at the Volunteer Center of Washington County (VCWC) in St. George.

HR requested the help of the DA to evaluate the potential for a sexual harassment claim against Parks. Benward provided HR employees access to Christensen's email account to aid in their investigation. Based on the evidence that the DA obtained and an analysis of the emails between the Parks and Christensen, it was concluded that, although the sexual relationship was inappropriate, it was consensual, and that a harassment claim against Parks was unwarranted.

*The emails raised serious questions about Parks' professional judgment in engaging in a sexual relationship with Christensen.*

However, the emails raised serious questions about Parks' professional judgment in engaging in a sexual relationship with Christensen. Moreover, the emails indicated that Parks may have fraudulently and deceptively used or enabled the use of AmeriCorps grant funds disbursed to the members who served at the House and the VCWC. After reviewing the evidence, HR contacted the Auditor's Office to request an investigation of the program.

We identified the following broad issues, which are discussed in detail in the findings and analysis sections of this report:

- Parks falsified or participated in falsifying weekly time sheets for the members serving in St. George.



- Parks was aware that Benward, the Clinical Director, was acting as the host-site supervisor at the same time that she was receiving AmeriCorps benefits.
- AmeriCorps members serving at the House did not go through the normal member selection process. Individuals with personal relationships with either Parks or New Frontiers' employees or directors were selected to serve as members at the House.
- Numerous conflicts of interest existed due to personal relationships between the employees and directors of New Frontiers, Parks, Benward, Christensen, and the other members that served at the House project. These conflicts of interest led to a situation where normal control processes in the administration of the AmeriCorps program were either overridden or overlooked.
- Pressure was exerted from both the executive and legislative branches of State government to put this project in place. State officials' efforts to comply with legislative intent may have contributed to the environment of lax compliance that led to the violation of AmeriCorps rules and regulations.

The remainder of this report discusses the findings and conclusions developed as a result of our investigation.



### III. Scope and Objectives

#### Scope

The investigation focused primarily on the years from 2006 to 2010. The time period was adjusted to include any relevant information, records, and data from outside the time period, as appropriate.

To formulate our opinions and develop our findings related to the objectives, we examined and analyzed many types of documentary, physical, testimonial, and analytical evidence including, but not limited to:

- Emails obtained by HR as a result of their initial meeting with the former Clinical Director of New Frontiers
- CRD Division AmeriCorps program member files
- County payroll system reports and records
- County personnel records
- CRD Division travel expense reimbursement records
- Detail account expenditure reports for the CRD Division from Advantage Financial (AFIN)
- Detail reports of account revenues for the CRD Division from AFIN
- Auditor's Office cash receipts records
- CRD Division reimbursement requests submitted to the State for AmeriCorps expenses
- CRD Division AmeriCorps program budget documents submitted to the State
- New Frontiers' audited annual financial statements
- County contracts between Salt Lake County and the AmeriCorps host sites
- CRD Division invoices for matching funds sent to host sites

In addition, we conducted interviews with several key persons during the investigation, including:

- The HR Equal Employment Opportunity Analysts
- The CRD Division Fiscal Manager
- The CRD Division Payroll/Purchasing Coordinator
- The CRD Division AmeriCorps Program Assistant
- The State AmeriCorps Program Manager
- The State AmeriCorps Program Monitor

- The State Housing and Community Development Division Fiscal Auditor
- The State Housing and Community Development Division Director
- The former Clinical Director of the House

### **Objectives**

The objectives of the investigation were divided into five categories:

- **Disbursement of AmeriCorps Grant Funds**
- **Conflict of Interest**
- **Investigation of Business Travel**
- **Additional Oversight and Reporting Responsibilities of CRD Division Management and the State AmeriCorps Program Manager**
- **Other Issues Brought to our Attention**

## IV. Summary of Findings

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1.1	The AmeriCorps Program Director encouraged and participated in the preparation of fraudulent time sheets of AmeriCorps members that served in St. George.	17
1.2	The Clinical Director was paid a full-time living allowance through the County payroll system during her first term of service, but was only enrolled as a half-time AmeriCorps member.	21
1.3	The AmeriCorps members who served at the House and the VCWC were overpaid a combined total of \$21,937.	24
1.4	The AmeriCorps Program Director allowed the Clinical Director to report over 1,000 hours of travel and commute time as direct service hours, on her weekly time sheets, in violation of AmeriCorps regulations.	26
<b>2.0</b>	<b>Conflict of Interest</b>	<b>27</b>
2.1	The AmeriCorps Program Director allowed an AmeriCorps member to receive service benefits while she was not actively engaged in any approved AmeriCorps project during her first term.	29
2.2	The AmeriCorps Program Director allowed an AmeriCorps member to receive a full-time living allowance during her second term when she was only enrolled for a half-time commitment.	31
2.3	The AmeriCorps Program Director allowed an enrolled AmeriCorps member to supervise other members at the House in violation of AmeriCorps grant provisions and Federal regulations.	33
<b>3.0</b>	<b>Investigation of Business Travel</b>	<b>36</b>
3.1	The AmeriCorps Program Director was reimbursed for travel expenses that were not incurred for legitimate AmeriCorps business purposes, but instead for carrying on a relationship with the AmeriCorps member.	36
<b>4.0</b>	<b>Additional Oversight and Reporting Responsibilities of CRD Division Management and the State AmeriCorps Program Manager</b>	<b>37</b>
4.1	The lack of due care by County CRD Division management contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.	38
4.2	The State's approach to monitoring only at the program level contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.	42

<b>5.0</b>	<b>Other Issues Brought to our Attention</b>	<b>44</b>
5.1	The AmeriCorps Program Director waived an additional \$6,248 in grant match funds that New Frontiers owed the County, when an AmeriCorps member quit working at the House.	44
5.2	The AmeriCorps Program Director paid AmeriCorps members an incentive award, which was reviewed and disallowed for reimbursement by the State AmeriCorps Program.	47
5.3	Although the necessary re-zoning was never acquired to allow the House to be used as a transitional youth home for the "Lost Boys," the AmeriCorps Program Director used grant funds to support the House project.	49
5.4	The limited requirements of the State AmeriCorps program's monitoring of sub-grantee programs contributed to the AmeriCorps Program Director's opportunity to misappropriate federal grant funds.	50

## V. Findings and Analysis

Findings and analysis, addressing the objectives in this report, are divided into five sections:

- Disbursement of AmeriCorps Grant Funds
  - Conflict of Interest
  - Investigation of Business Travel
  - Additional Oversight and Reporting Responsibilities of the CRD Division Management and the State of Utah's AmeriCorps Program Manager
  - Other Issues Brought to our Attention
- 

### 1.0 Disbursement of AmeriCorps Grant Funds

Through examining the evidence, we determined that the AmeriCorps Program Director entered into multiple instances of fraud and deception in the use of the AmeriCorps grant funds disbursed to members that served at the House and the VCWC.

Our findings in this area are as follows

- ***The AmeriCorps Program Director encouraged and participated in the preparation of fraudulent time sheets of AmeriCorps members that served in St. George.***
  - ***The Clinical Director was paid a full-time living allowance through the County payroll system during her first term of service, but was only enrolled as a half-time AmeriCorps member.***
  - ***The AmeriCorps members who served at the House and the VCWC were overpaid a combined total of \$21,937.***
  - ***The AmeriCorps Program Director allowed the Clinical Director to report over 1,000 hours of travel and commute time as direct service hours, on her weekly time sheets, in violation of AmeriCorps regulations.***
- 

#### 1.1 The AmeriCorps Program Director encouraged and participated in the preparation of fraudulent time sheets of AmeriCorps members that served in St. George.

We reviewed 230 weekly time sheets submitted by the members that served at the House and at the VCWC. The analysis indicated that Parks not only encouraged, but participated in the preparation of fraudulent time sheets.

The analysis revealed several issues with the time sheets that were submitted, including:

- Problems and inconsistencies with the members' and host-site supervisors' date entries and/or signatures.
- Time sheets that were not filled out in the members' handwriting and contained fraudulent entries and signatures.

**Problems and inconsistencies with the AmeriCorps members' and host-site supervisors' date entries and/or signatures.** The host-site supervisors' signatures, in numerous instances, were dated several months after the actual time sheet dates. This indicated either that the host-site supervisors did not review the time sheets in a timely manner or that the original time sheets were replaced by fraudulently prepared time sheets.

*The host-site supervisor's signature and/or the member's signature was photocopied on 39% of the weekly time sheets examined.*

Moreover, ten weekly time sheets submitted by one member had the host-site supervisor's signature stamped on them with an ink stamp. Overall, the host-site supervisor's signature, the member's signature, or both, were photocopied on 89 (39%) of the weekly time sheets examined.

In an email dated November 29, 2007, from Parks' AmeriCorps Program Assistant (Parks' Assistant) to all of the members serving in St. George, she stated that there were "some serious issues" regarding time sheets that had "come to light and needed to be resolved." She also stated that Parks would be making a special trip to St. George in early January 2008 to meet with the members and resolve the issues. The primary issue identified was that a member was approving and signing the time sheets of the other members, which violated AmeriCorps program rules and regulations.

Parks' Assistant wrote to the members:

*AmeriCorps members are NOT allowed to sign other AmeriCorps members' time sheets under any circumstances. Any time sheet signed by an AmeriCorps member is not valid. Time sheets are to be faxed in on a weekly basis. (Mailed in bi-monthly)*

In our interview with Parks' Assistant, she stated that Parks returned from his trips to St. George with member time sheets that they had failed to mail in. These timesheets were the ones that had been approved and signed by Benward, who was both New Frontier's Clinical Director at the House and an AmeriCorps member. Thus, we expected to discover these timesheets during our investigation. However, we discovered no time



sheets signed by Benward as the host-site supervisor, as the email above suggested.

In our interview with Benward, she asserted that she had indeed signed the original time sheets as the host-site supervisor, and did not recognize, as legitimate, the timesheets for that period shown to her during our interview. We concluded from this that Parks must have replaced the original timesheets with fraudulently prepared time sheets.

*An email from Parks to Christensen shows that he sent her blank time sheets and a list of dates for which she should fill them out.*

Another email dated February 26, 2009, from Parks' County email account to Christensen shows that he sent her blank time sheets and a list of dates for which she should fill them out. He asked her to mail the time sheets back to him directly without getting the required host-site supervisor's signature. We determined that the host-site supervisor's signatures had been photocopied on the blank time sheets.

In our meeting with Parks, he denied that he told Christensen to prepare fraudulent time sheets. When we showed him the following email in which he wrote to Christensen to falsify time sheets and send them to him, he admitted to his actions. Parks' email to Christensen read as follows:

*I am going to send you some blank time sheets to your house that I need you to date and sign. Included will be a list of the weeks that there should have [been] a time sheet for. Put the dates in, sign them, and give yourself 20-30 hours of time for each one. Do them for all of the weeks listed on the enclosed sheet **even though they are for the future**. I will get them signed... (Emphasis added)*

These instructions clearly indicate fraudulent and deceptive intent on the part of Parks.

**Time sheets that were not filled out in the AmeriCorps members' handwriting and contained fraudulent entries and signatures.** Eighty-five (37%) of the weekly time sheets we reviewed were not filled out in the members' own handwriting. Comparing writing samples of the members from other documents contained in each member's file, we determined that the time sheets were fraudulently completed by someone other than the members themselves.

Additionally, during our interview with Benward, she corroborated our concerns about these handwriting issues. She stated that she consistently reviewed and signed the time sheets of the members that worked at the House. When we showed her numerous time sheets from the various members, she concurred that:

- The majority of the supervisor's signatures on the time sheets were not her signature.

- The recorded hours on the time sheets were exaggerated.
- Numerous signatures of the members were photocopied.

Additionally, we showed Benward time sheets that we discovered in a member's file indicating that the member worked for one year. Benward adamantly asserted that the member had not completed a one-year term of service. We also showed her County payroll records indicating that the member received a living allowance for the entire year. However, Benward was certain that the member had not worked for the entire year.

In fact, Benward surprisingly disclosed that this member's sister started working in her place, when the member quit working at the House months before the end of her one-year term. Benward was surprised to learn that the sister was never enrolled as a member. We found no records or payroll information to indicate that the sister was ever enrolled as a member.

***Benward indicated that the timesheets shown to her did not appear to be completed in the members' handwriting.***

Also, Benward indicated the time sheets that we showed her did not appear to be completed in the members' handwriting. We concluded from this that the majority of time sheets in this member's file were fraudulently prepared.

We compared writing samples of Parks from forms and documents contained in member files to the writing on the time sheets that appeared to be falsified. The writing appeared to match Parks' handwriting. Since each of these time sheets also had the members' and host-site supervisor's signatures photocopied on them, we concluded that Parks had filled in the dates, members' personal information, and hours worked. In our interview with Parks, he admitted that the handwriting on these time sheets was his.

Federal regulations require that AmeriCorps grantees keep complete and accurate time and attendance records for all members that serve in their programs. The member enrollment process for each term of service requires that the member commit to completing a specific number of service hours during the term, which is normally one year.

For members to receive their post-service education award, program managers certify on the member's *Exit Form*, which is submitted to AmeriCorps, that the member successfully completed the required number of service hours. Member time sheets, signed by the host-site supervisor, are the means by which an AmeriCorps administrator can verify that the member actually served the required number of hours. The CRD Division's *AmeriCorps Member Agreement of Participation (Member Contract)*, Section III, Terms of Service, states:

- (c) The member understands that if he/she fails to provide current and complete time cards, on a weekly basis, his/her living allowance will be suspended. Continued failure to comply with the

time card requirements may result in termination from the program.

The effects of these fraudulent acts by Parks include:

- Members continued to receive their in-service benefits, including their living allowance checks and health care, even when not in compliance with their *Member Contracts*.
- Members were eligible for post-service education awards because Parks fraudulently certified on member *Exit Forms* that they had completed their terms of service.
- The CRD Division, in all probability, will lose its eligibility to receive AmeriCorps grant funds.

**1.2 The Clinical Director was paid a full-time living allowance through the County payroll system during her first term of service, but was only enrolled as a half-time AmeriCorps member.**

Part of our examination included a thorough review of all documents contained in each file of the members that served at the House and the VCWC. AmeriCorps grantees and sub-grantees (i.e., the County) are required to retain certain documents in each member's file to verify their eligible service hours and to qualify them to receive service benefits. We checked each member's enrollment status and compared it with County payroll records to determine if their annual living allowance matched their status, either full or half time.

***We found that all members were paid more than their contracted living allowance over their term of service.***

We found that all of the members were paid more than their contracted living allowance over their term of service. In the case of Benward, we concluded that she was paid a full-time living allowance during her first term of service, even though only enrolled as a half-time member. We obtained documents from her member file indicating that the Parks had, in fact, enrolled Benward as a half-time member, while fraudulently submitting the *County Payroll CP-4, New Hire Notice of Personnel*

*Action Form (CP-4 Form)* that allowed her to receive a full-time living allowance.

Benward's first term of service began on October 18, 2006, and ended on October 17, 2007. Her *Member Contract*, signed on October 18, 2006, stated that she was committed to 900 hours of service during this period, and would receive a half-time living allowance of \$6,000, to be issued in semi-monthly amounts of \$250 over 24 payments.

On Benward's *Enrollment Form*, under Part 3, Item 1, Type of Enrollment, the check box for half-time status is checked. Likewise, her *Member End of Term Form*, submitted electronically to AmeriCorps on October 8,

2007, states that she successfully completed her term of service by serving 938.25 hours, and lists her type of enrollment as “1-year part-time (900 hours/year).”

Parks’ Assistant kept separate time and attendance records, which tabulated service hours for each member based on the weekly time sheets that were submitted. These records for Benward’s first term of service likewise indicated that she served a total of 938.25 hours, and was marked as “Complete.”

The CRD Division prepares a separate Division *CP-4 Form* (titled *Personnel Action Form CP-4*) That is also kept in the member’s file. According to the CRD Division *CP-4 Form*, dated October 24, 2006, Benward was to be paid \$6,000 over her term of service. However, our review of the official County *CP-4 Form* showed that she was set up in the County payroll system to receive \$625 semi-monthly, which equates to \$15,000 over her first term of service. The County *CP-4 Form* was entered into the payroll system on November 27, 2006, and approved by the CRD Division’s Fiscal Manager, Jared Steffey (Steffey), on November 28, 2006.

To further confirm this disagreement among official records, we obtained an *Employee Pay History Report* for Benward from the payroll system, detailing all living allowance amounts she received. The report confirmed that Benward was paid \$625 per pay period, or \$15,000, rather than the \$6,000 for half-time enrollment. Therefore, she was overpaid \$9,000.

During our interview with Benward, we asked about the number of hours for which she was enrolled during her first term. She recalled being enrolled for only 900 hours (i.e., half-time enrollment). However, she could not recall the amount she was paid. When reminded that she was paid a full-time living allowance, she responded that she did not know why she was paid full-time for only being enrolled half-time.

When we interviewed Parks, he initially stated that Benward was enrolled as a full-time member. However, when we showed him Benward’s *Member Contract* and asked him the term of service indicated on the contract, Parks admitted that she was enrolled as a half-time member.

When we questioned Steffey and Parks’ Assistant about the inconsistencies in pay described above, we were told that an error must have occurred when the amount was entered into the payroll system. However, they also stated that for each pay period either Parks or his Assistant signed the payroll authorization lists showing the amounts to be paid to each member. Their signatures indicated that they authorized the amounts.

Therefore, if an error had occurred, either Parks or Parks’ Assistant should have recognized and corrected the erroneous amounts when they reviewed the payroll authorization list.

Parks denied the fact that he reviewed and signed any payroll authorization lists in 2006 through 2008, until we showed him one with his signature. After which, Parks stated,

*“We changed how we worked with payroll a couple of times because people got overpaid because payroll made mistakes. This, where I got to look at these [the payroll authorization lists], I wasn’t doing that in the beginning.”*

When we mentioned to Parks that his assistant told us that either she or Parks reviewed the payroll authorizations lists and this was the procedure since she began working as his assistant in 2006, Parks answered that his assistant “could be” mistaken.

Knowingly submitting materially false payroll information, such as paying a half-time employee a full-time rate, violates Salt Lake County Human Resources Policy #5702, *Standards of Conduct*, which states:

- 1.0 *Types of behavior Salt Lake County considers to be in violation of County policies or inappropriate include, but are not limited to, the following:*
  - 1.1 *Falsifying any documents to be received or used by County government including, but not limited to, employment applications and related documents, work related records, time cards, etc.*
  - 1.27 *Malfeasance, nonfeasance or acts inimical to the public service*

Because the AmeriCorps program is a federally funded grant program, anyone who knowingly and willfully makes false statements on official documents and records has violated Section 1001 of Title 18, U.S.C., which states:

- (a) *Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—*
  - (1) *falsifies, conceals, or covers up by any trick, scheme, or device a material fact;*
  - (2) *makes any materially false, fictitious, or fraudulent statement or representation; or*
  - (3) *makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;*  
*shall be fined under this title, imprisoned not more than 5 years...*

It appears from the evidence outlined above, that Parks either colluded with Benward so that she could receive a living allowance in excess of her *Member Contract* amount, or paid her excess living allowance to absorb unused money in the AmeriCorps grant fund.

The conditions we observed were caused by a lack of segregation of duties and management oversight over the AmeriCorps member enrollment process. We concluded that Parks had exclusive control over the process and that those working with him either placed undeserved trust in him or were intimidated by his personality.

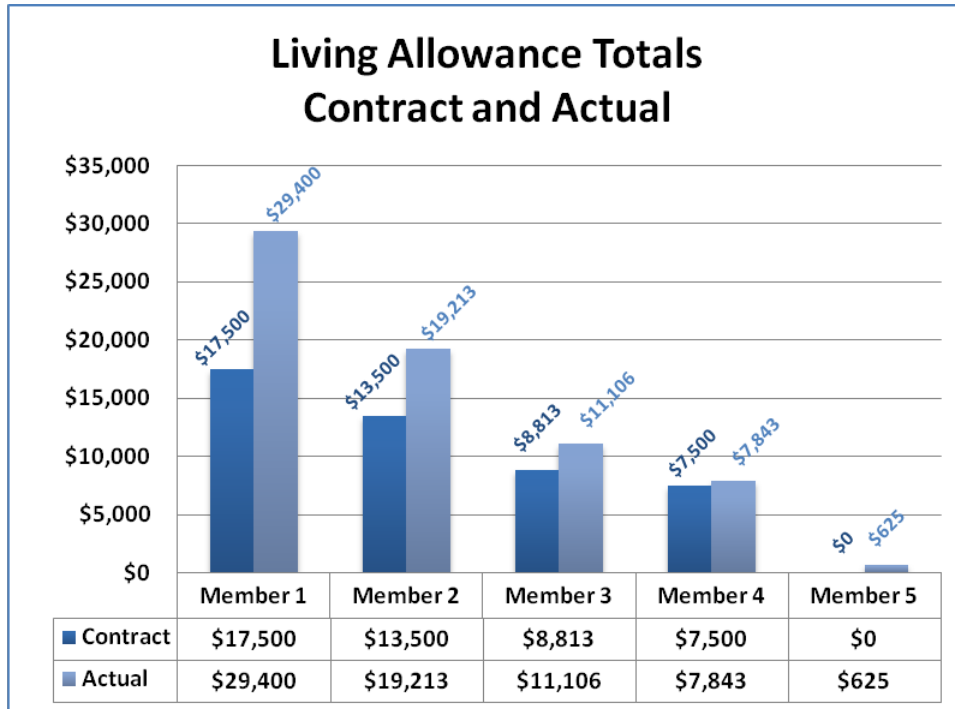
In our interview with Steffey, he stated that there was a process in place to review the *CP-4 Forms* that Parks submitted for members. However, Steffey admitted that he made no effort to independently compare the original *Enrollment Forms* and the *Member Contracts* to the *CP-4 Forms* prepared by Parks. Steffey also stated that since the *CP-4 Forms* were signed by the CRD Division Director, Michael Gallegos (Gallegos), he felt this was an adequate control over the process. Had an actual comparison taken place, the discrepancies between the two sets of records could have been discovered and corrected.

### **1.3 The AmeriCorps members who served at the House and the VCWC were overpaid a combined total of \$21,937.**

Each *Member Contract* for the members who served in St. George was compared to their *Employee Pay History Report* obtained from the County payroll system. Each contract specified the terms of service, including: the beginning and ending dates, the number of service hours required by enrollment type, i.e., full-time or half-time, and the amount of living allowance to be paid based on these factors.

A comparison of the amounts specified in the *Member Contracts* and the actual amounts paid showed that the members received a greater living allowance than what was authorized in their *Member Contract*. In the aggregate, members were overpaid a total of \$21,937. A listing of authorized amounts compared to actual amounts paid to four members who served in St. George is included in Appendix D.

We determined that Benward was overpaid the most during her two terms of service, a total of \$11,400. According to her *Member Contract*, she was to receive only \$6,000 during her first term (Oct 2006 to Sep 2007) and \$12,000 during her second term (Oct 2007 to Sep 2008), or a total of \$18,000. Instead, her *Employee Pay History Report* showed that she received \$29,400. Likewise, as shown in Figure 1, below, the other four members were overpaid based on the living allowances stipulated in their *Member Contracts*.



**Figure 1.** The members who served in St. George received a combined total of \$21,937 more in living allowances than what was stipulated in their Member Contracts.

In an interview with Steffey, he stated that Parks prepared the *CP-4 Forms* and submitted them to Gallegos for his signature. Afterward, the forms were given to the CRD Division’s Payroll Coordinator to be manually entered into the County payroll system. Copies of the *Member Contracts* were not attached to the *CP-4 Forms*. Thus, Gallegos was relying solely on the information provided by Parks.

Steffey also stated that once initially established, the living allowance amount should not have changed during a member’s term of service. The only circumstance that would call for an adjustment to a living allowance would be if the member decided to change enrollment status from full-time to half-time, or vice versa. In these instances, the member would be required to sign a new *Member Contract* effecting that change.

An internal control requiring Steffey to attach a copy of each *Member Contract* so Gallegos could independently verify that amounts on the contracts matched the amounts on all *CP-4 Forms* would have prevented Parks from perpetrating his fraud. The lack of this crosscheck provided the opportunity for Parks to work the system undetected.

Parks had a clear fiduciary responsibility to ensure that AmeriCorps grant funds were spent according to the grant provisions and federal rules and regulations. Moreover, Gallegos and others in the CRD Division fiscal management had an administrative duty of care for implementation and enforcement of sufficient internal controls to detect discrepancies between the living allowance amounts submitted on *CP-4 Forms* and the living allowance amounts shown on the *Member Contracts*.

**1.4 The AmeriCorps Program Director allowed the Clinical Director to report over 1,000 hours of travel and commute time as direct service hours, on her weekly time sheets, in violation of AmeriCorps regulations.**

From the beginning of her first term of service on October 18, 2006, to the end of her second term of service on September 30, 2008, Benward

*Benward reported over 1,000 hours of travel time as direct service hours in violation of federal AmeriCorps regulations.*

reported 1,111 hours of travel time on her weekly time sheets. Therefore, travel time made up 41% of the total time she reported. Many descriptions entered for the “service hours” recorded on her time sheets included travel from the House in St. George to Salt Lake City and back again.

Federal AmeriCorps regulations stipulate that a member may not claim travel time as direct service hours, unless it is exceptional in nature and required for the member to

attend a job-related activity. Interpretation of Title 42 C.F.R. § 2522 states:

*Programs must exercise their judgment when allowing time spent traveling as service hours. In most instances, **time spent traveling to training or special events are not direct service and cannot be counted** as such. **Ordinary commuting time is not allowable** as a general rule. However, when training or special events require out-of-town or other exceptional travel beyond ordinary commuting, it is reasonable for each program to determine what amount of travel time can be charged to non-direct service hour activities or training...Member travel time between service sites during a service day is counted as service time; **the initial trip to a service site that day, and the time going home from the last site, are considered commuting time and are not counted as service hours.** [Emphasis added.]*

The purpose of Benward’s frequent travel to Salt Lake City was unclear. Parks’ Assistant stated in our interview that it was extremely difficult to get the members in St. George to submit their time sheets, so that may have been the reason for Benward’s travel. However, Parks’ Assistant also stated that she only saw Benward come into the CRD Division’s offices once or twice over the two-year period that the AmeriCorps program was involved with the House.

In our interview with Benward, she stated that Parks approved as direct service hours the travel and commuting time that she reported on her time sheets. In our interview with Parks, he stated that he made the judgment that “we [AmeriCorps] should pay her for travel.” However,



when we showed him the time sheets completed by Benward indicating that she claimed 1,111 hours of travel time, Parks stated that he wasn't aware that she had reported so many hours of travel time.

As a result of Parks' directive, Benward was able to receive credit for the travel time reported on her weekly time sheets. Had those hours been disallowed, she would have been over one thousand hours short of her required number of service hours and would not have been eligible to receive her post-service education awards. Instead, the hours were allowed to be counted and Parks certified on both *Exit Forms* that she was eligible to receive the full education award amount. Thus, AmeriCorps funds were again used inappropriately.

## 2.0 Conflict of Interest

Our investigation uncovered details indicating that Parks may have known Benward, her sister, Christensen, and the Christensen family, prior to enrolling Benward and Christensen in the AmeriCorps program. However, Parks denied knowing Benward prior to her enrollment as a member. He stated that he only knew Jami Christensen, her mother, and her stepfather, and that he had an association with Christensen 27 years ago when Parks was the Education Director at a facility for rehabilitation of troubled youth. During that time, he was in a teacher/student capacity with Christensen. Parks did not disclose this prior relationship with Christensen to his County supervisors or State AmeriCorps program management.

Benward stated during our interview that Christensen was really excited to learn that Parks was the AmeriCorps Program Director in charge of the House project, and looked forward to meeting him again. According to Benward, Christensen was still suffering from mental illness at the time of her enrollment as a member. Parks' poor judgment and lack of professional ethics in hiring Christensen, let alone entering into an affair with her, undoubtedly led to conflicts of interest that at least contributed to Parks' fraudulent and deceitful acts in a position of high trust and responsibility.

This section of the report outlines some of Parks' actions that we concluded were driven by the conflict between his personal relationship with Benward and Christensen and his duty of care over this AmeriCorps project.

Besides the findings discussed below, we learned through interviews with State officials that the House project was promoted and may have been rushed into action by various interests in the executive and legislative branches of Utah State government.

The Attorney General's Office (AG) developed a keen interest in the Lost Boys as a result of the prosecution of Warren Jeffs from the FLDS

Communities of Hilldale and Colorado City. Extensive media coverage in 2007 and 2008 refers to a representative of the AG's Office, Paul Murphy, as taking an active role in promoting programs to address the needs of the Lost Boys.

Official records show that Jeremy Johnson, who donated the use of the House to New Frontiers, was a major contributor to the campaigns of the AG. According to the Federal Trade Commission complaint currently pending against Johnson, he funneled hundreds of thousands of dollars through New Frontiers as a conduit for his "grant-a-day" program operated through his company, I-Works.

Likewise, Lloyd Pendleton of the State Department of Community and Culture was a significant proponent of addressing the needs of the Lost Boys and worked with CRD Division administrators to get their support in providing AmeriCorps members through Salt Lake County in the absence of an AmeriCorps sub-grantee in Washington County willing to take on the venture.

In the 2007 session of the Utah State Legislature, we learned that Senator Bill Hickman was a proponent of passage of H.B. 150 that earmarked \$250,000 for programs to address homelessness in Southern Utah. Benward had been part of the lobbying efforts on behalf of New Frontiers to get this legislation passed and funds appropriated.

Parks, too, was involved in these efforts, and may have played a significant role in obtaining the AmeriCorps funding, as his performance evaluations from Steadman indicate.

*A web of conflicting interests existed regarding the House project within both the County and the State.*

State officials at the Department of Community and Culture admitted in our interviews with them that it was not typical for their office to fund an unproven undertaking like the House project. However, there was legislative intent that directed them to allocate \$95,000 specifically to the House project beginning in July 2007.

We concluded that a web of well-documented conflicting interests existed regarding this AmeriCorps program. However, we narrowed our report to a discussion of the following findings regarding Parks' actions that were influenced by various conflicts of interest that he entered into and tried to juggle.

- ***The AmeriCorps Program Director allowed an AmeriCorps member to receive service benefits while she was not actively engaged in any approved AmeriCorps project during her first term.***
- ***The AmeriCorps Program Director allowed an AmeriCorps member to receive a full-time living allowance during her***

***second term when she was only enrolled for a half-time commitment.***

- ***The AmeriCorps Program Director allowed an AmeriCorps member to supervise other members at the House in violation of AmeriCorps grant provisions and Federal regulations.***

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**2.1 The AmeriCorps Program Director allowed an AmeriCorps member, to receive service benefits while she was not actively engaged in any approved AmeriCorps project during her first term.**

Benward recruited her sister, Christensen, to work at the House as an AmeriCorps member beginning July 1, 2007. She was enrolled as a half-time member serving 900 hours during the enrollment period. However, information in an email we obtained, dated January 24, 2008, indicated that Christensen was no longer living or working at the House as early as December 2007, about half way through her first term.

The email contradicted Christensen's *Midterm [Performance] Evaluation* for the period July-December, 2007. There was no mention on the evaluation form that Christensen was no longer working at the House project. Oddly, the evaluation was signed and dated by Parks on August 8, 2008, eight months after the evaluation period ended. In addition, the signatures of Benward and that of another host-site supervisor, on the evaluation (each signature dated August 8, 2008), appear to be forgeries.

In further support of the fact that Parks knew that Christensen had stopped working at the House, we discovered that he had written a letter of reference for her, dated March 18, 2008, stating that she had "worked" (past tense) at the House.

Nonetheless, we discovered time sheets in Christensen's file, supposedly for the time of her absence, December 30, 2007, to June 30, 2008. The host-site supervisor's signatures on her time sheets were photocopied. The time sheet for the week ending May 5, 2008, appears to have a forged signature for Benward, as do time sheets for the four weeks during June 2008. The signatures for the other host-site supervisor and Benward do not match the signature of either person found in other members' files. When we questioned Benward about these signatures, she stated that they were not hers.

Christensen's *Final [Performance] Evaluation* for her first term of service was signed on August 7, 2008, one day prior to the date on the *Mid-term [Performance] Evaluation*. Again, the host-site supervisor's signature appeared to be a forgery of Benward's signature.

Federal regulations for the AmeriCorps program state the minimum requirements that every AmeriCorps program, regardless of type, must meet. **Title 45 CFR § 2522.100**, states:

*All AmeriCorps programs must:*

- (a) Address educational, public safety, human, or environmental needs, and provide a direct and demonstrable benefit that is valued by the community in which the service is performed;*
- (b) Perform projects that are designed, implemented, and evaluated with extensive and broad based local input, including consultation with representatives from the community served, participants (or potential participants) in the program, community-based agencies with a demonstrated record of experience in providing services, and local labor organizations representing employees of project sponsors (if such entities exist in the area to be served by the program)...*
- (d) Establish and provide outcome objectives, including a strategy for achieving these objectives, upon which self-assessment and Corporation-assessment of progress can rest.*

In addition to the Federal regulations, the requirements in the AmeriCorps Member Contract state that:

*The member understands that to complete the term of service successfully... and to be eligible for the education award, he/she must complete the duration of their service, all the hours of service, and satisfactorily complete pre-service training and the appropriate education/training that relates to the member's ability to perform service.*

Christensen did not comply with these requirements and her lack of compliance is documented in several of the emails we discovered from reviewing her email account. After she moved out of the House and stopped working there, we found no evidence that she was engaged in an approved AmeriCorps service activity.

Finally, the actions of Parks show his exclusive control over the administration of the grant with no independent review by CRD Division management. This allowed Parks the opportunity to fraudulently distribute grant funds. As a result, the CRD Division may be ineligible to receive further grant funds from the AmeriCorps Program.

**2.2 The AmeriCorps Program Director allowed an AmeriCorps member to receive a full-time living allowance during her second term when she was only enrolled for a half-time commitment.**

Christensen began her second term of service on October 1, 2008. There were several discrepancies in the documentation surrounding her second term of service as outlined below.

- The contract between the County and the host-site organization, the VCWC, states that it will pay the County \$9,500 in exchange for the services provided. By contrast, the amount that a host-site organization would pay the County for a half-time member is \$4,750. Because the contract stipulated \$9,500, the host-site supervisor was of the impression that she had contracted for a full-time position. However, correspondence between Parks and Christensen, prior to starting her second term of service, inferred that she would be working half-time.
- Steffey sent quarterly invoices to each host-site organization for the amount due. We verified that the invoices sent to the VCWC totaled \$4,750, which is the amount to be paid for a half-time member position.
- Christensen's *Member Contract* initially indicated that she would serve a half-time commitment. That indication was crossed out and initialed by Parks. The full-time member box on the contract was marked instead, indicating that Christensen was enrolled for a full-time service commitment.
- Likewise, the official *Member Enrollment Form* listed Christensen as full-time, making her eligible for an education award voucher in the amount of \$4,725, instead of \$2,362.50 (the amount a half-time member would receive).
- A full-time member is required to work 1,700 hours per year, while a half-time member only works 900 hours. Based on our review of the hours on Christensen's time sheets, it is evident that she was only working half-time. However, she was paid the living allowance in excess of a full-time member, \$625 per pay period, or \$15,000 per year.

**Parks failure to terminate Christensen resulted in her being overpaid by \$5,000.**

In addition, Christensen's last time sheet was submitted for the week of February 21, 2009. No time sheets were submitted thereafter, yet Parks did not terminate her from the program until June 30, 2009. She continued to receive her living allowance and health care throughout that time.

The CRD Division's *AmeriCorps Member Agreement of Participation, Section III, Terms of Service*, states:

*(c) The member understands that if he/she fails to provide current and complete time cards, on a weekly basis,*

*his/her living allowance will be suspended. Continued failure to comply with the time card requirements may result in termination from the program.*

Furthermore, knowingly submitting materially false payroll information, such as paying a half-time employee a full-time rate, violates Salt Lake County Human Resources Policy #5702, *Standards of Conduct*, which states:

*1.0 Types of behavior Salt Lake County considers to be in violation of County policies or inappropriate include, but are not limited to, the following:*

*1.1 Falsifying any documents to be received or used by County government including, but not limited to, employment applications and related documents, work related records, time cards, etc.*

*1.27 Malfeasance, nonfeasance or acts inimical to the public service.*

We question whether Christensen should have even been enrolled for a second term of service. According to the AmeriCorps grant provisions, there is a requirement in the *Member Contract* for a member to be in good standing in order to be enrolled for a second term. Specifically, the requirement states:

*The member's eligibility for a second term of service with this program will be based on factors as whether the member has:*

- a. Completed the required number of hours*
- b. Satisfactorily completed assignments, task, or projects*
- c. Met any other criteria that were clearly communicated both orally and in writing at the beginning of the term of service.*

As previously noted, there appears to have been no segregation of duties or senior management exercise of due care over the administration of the AmeriCorps grant in this case. We concluded that Parks essentially had sole control of documentation for all phases of the process and that no one questioned his actions, including CRD Division management.

Despite the fact that Christensen did not comply with AmeriCorps grant provisions regarding timely submission of time sheets or the performance of contracted service hours, she suffered no disciplinary consequences and was allowed to continue receiving living allowance checks until June 30, 2009. As a result, Christensen was overpaid \$5,000 during her second term of service.

### 2.3 The AmeriCorps Program Director allowed an enrolled AmeriCorps member to supervise other members at the House in violation of AmeriCorps grant provisions and Federal regulations.

Information we obtained indicated that Benward, in addition to being the Clinical Director, was also the host-site supervisor at the House. In an email, dated June 15, 2007, Christensen stated that Benward was going to run the House and get her a job “working and living at the house, rent free, while she went to school.”

When we reviewed Christensen’s mid-term and end-of-term performance evaluations, we noticed that Benward’s handwriting matched the writing on the evaluations for Christensen and herself. We concluded that Benward had completed and signed these documents as the host-site supervisor. When we told him that Benward confirmed that she completed these evaluations, Parks answered, “I think she’s incorrect about that.”

When we questioned Parks’ Assistant, she stated that Benward was a member and a supervisor at the House, “but not at the same time.” She further explained that Benward had signed weekly time sheets for two members, “but not while she was serving as a member”. However, we determined that Benward was enrolled as a member during the entire time that she was the Clinical Director and the host-site supervisor.

*Benward admitted that she was concurrently enrolled as an AmeriCorps member while supervising other members at the House.*

Later, when we interviewed Benward, she admitted that she was enrolled as a member at the same time that she was working for New Frontiers. She stated that she completed a time sheet as a member and another time sheet as an employee of New Frontiers.

Although she stated that she was not aware that signing other members’ time sheets was a violation of the AmeriCorps grant provisions, we pointed out that she was sent an email documenting this fact. This email dated November 29, 2007, from Parks’ Assistant stated that there were “serious issues” with the time sheets and that Parks needed to make a “special trip” to St. George to resolve the issues. One of the issues was that AmeriCorps members were signing time sheets for other members (i.e., Benward signing two different members’ time sheets).

However, we found no instances of time sheets signed by other members, or specifically by Benward. We surmised that the time sheets Benward had admittedly signed, as host-site supervisor, and was warned about in the above email, were removed from the member files and replaced with fraudulent timesheets prepared by Parks.

When we asked Parks if he knew that Benward was signing time sheets for the other members, he stated that he was not aware of that. However, when we asked Parks about whether his assistant had any discussions with him regarding the fact that Benward was signing time sheets for other AmeriCorps members, he stated, "Yes." This is one of several occasions when Parks contradicted himself.

The County's standard contract language for AmeriCorps host-site organizations in Attachment B, the Host Organization duties, Sub-section (c) states:

*Host Organization agrees not to hire any AmeriCorps members to work at their agency until said member or members have completed their terms of service.*

This specific requirement, cited above, was not included in the contract between Salt Lake County and New Frontiers. We believe this was deliberately left out of the contract language by Parks to enable Benward to serve dual roles. We discovered, in fact, that there was no formal contract between the County and New Frontiers until May 1, 2008. This was a highly unusual arrangement.

Thus, we struggled to find rules and regulations that clearly apply to the unusual circumstances of Benward's dual role as both an officer/employee of the host-site organization, New Frontiers, and an enrolled AmeriCorps member. Her role as Clinical Director for New Frontiers required her to supervise the activities of the House and to sign official AmeriCorps documents as the host-site supervisor. These supervisory activities are clearly prohibited functions of an enrolled member, which she was.

The limited guidance we found was in Federal AmeriCorps regulations regarding the use of members as Team Leaders. The following is an excerpt from those regulations:

***Interpretation of 42 U.S.C. § 12573(6)***

*In general, all prohibited activities listed in Section 5 of the AmeriCorps Provisions apply to Team Leaders just as they do to all AmeriCorps members. Team Leaders are **not permitted to act in a staff capacity. Supervising members is a staff responsibility. Team Leaders must not be responsible for program development and coordination**; however, they may assist by providing information and resources on best practices or by helping to develop portions of the program such as the training curriculum. In essence, **under no circumstances should an AmeriCorps member serving as a Team Leader be the individual legally responsible for the program or other members.***



**Examples of unallowable Team Leader activities: signing member timesheets; evaluating member performance; disciplining AmeriCorps members; enrolling/dismissing AmeriCorps members; writing and/or signing program reports; managing the program's payroll and budget. [Emphasis added]**

**The CRD Division may have jeopardized its eligibility for further grant money from the AmeriCorps program.**

The CRD Division administration, and specifically Parks, ignored the AmeriCorps prohibitions cited above and purposefully overlooked the fact that Benward was employed by New Frontiers, and at the same time, an enrolled member of the AmeriCorps program.

When asked if he knew that Benward was employed by New Frontiers, Parks answered, "No." When asked if he reviewed the application that Benward submitted for her enrollment as an AmeriCorps member, Parks answered, "Yes." When we pointed out that Benward wrote on her application that she was employed by New Frontiers, Parks stated that he did not remember seeing that information on her application. Instead, Parks stated several times that he did not know that Benward had any involvement with New Frontiers.

However, later in our interview, Parks stated

*"We paid Michelle Benward for travel from New Frontiers to the House. If she was doing work on the program at New Frontiers, on behalf of the kids she was serving in St. George, and I made the judgment that we should pay her for travel."*

This statement by Parks shows that he was aware that Benward worked at New Frontiers.

As a result of the actions discussed above, the CRD Division may have jeopardized its eligibility for further grant money from the AmeriCorps program and placed the County at risk of not receiving federal AmeriCorps grant funds.

Furthermore, the consequences of Parks entering into these conflicts of interest are significant and far-reaching. The vision and goals of the House project became a pretext for the fraudulent and deceptive action of Parks.

Recent revelations in our interviews with Benward disclosed that Jeremy Johnson used New Frontiers as an entity through which to funnel hundreds of thousands of dollars to feed his fraudulent "Grant a Day" program now the subject of an FTC civil action.

### 3.0 Investigation of Business Travel

We were asked to investigate the legitimacy of business travel by Parks. Emails between Parks and Christensen led us to believe that much of Parks travel to St. George was not business related. Rather, it was a pretext to facilitate his continuing sexual relationship with Christensen.

Through our investigation we discovered the actual purposes of the travel, as discussed below.

#### 3.1 The AmeriCorps Program Director was reimbursed for travel expenses that were not incurred for legitimate AmeriCorps business purposes, but instead for carrying on a relationship with an AmeriCorps member.

We obtained travel expense reimbursement records for the period January 2006 to June 2009. We determined that during this time, Parks made seven trips to St. George related to the County's involvement with New Frontiers and the House. Parks received a total of \$3,783.78 in travel expense reimbursements.

Based on multiple emails between Parks and Christensen, we concluded that very little of his time on these trips was actually spent performing his official duties. Not surprisingly, memoranda from Parks to CRD Division management indicate that the purpose of these trips was to conduct County business in accordance with his responsibilities as a County employee.

*Parks was reimbursed by the grant for travel expenses that were not incurred for legitimate AmeriCorps business purposes.*

However, emails between Parks and Christensen disclosed that Parks had become sexually involved with her and this was his prime motivation for travelling to St. George. For example, on a trip that Parks took on September 24, 2008, his travel documents indicated that the purpose for the trip, as approved by CRD Division management, was to coordinate with a non-profit organization "to expand the AmeriCorps program in St. George." Instead, emails between Parks and Christensen provide descriptions of how they traveled to Mesquite, Nevada, where the two spent the night together.

Parks was reimbursed \$514.11 by the AmeriCorps grant for this trip to St. George, when he did not actually stay at the hotel for which he was reimbursed. Other emails indicated that this same scenario probably occurred at least three additional times from 2008 to 2009. Although emails between Parks and Christensen indicate otherwise, Parks stated that his trips to St. George were strictly for AmeriCorps business. However, he did concede that on several occasions he extended his stays in St. George to have a relationship with Christensen. Evidence suggests that little of Parks' time in St. George was spent carrying out his official duties as the AmeriCorps Program Director as he

asserted during our interview with him. Parks confirmed that he was reimbursed for these trips through AmeriCorps grant funds. Countywide Policy #5702, *Standards of Conduct*, states:

*Salt Lake County employees are expected to observe the highest standards of professionalism at all times. Employees are expected to accept their work responsibilities, adhere to acceptable business practices in matters of personal conduct, and exhibit a high degree of professionalism at all times.*

The above cited standard clearly mandates that County employees are expected to exercise due care in spending public funds. A prudent person would exercise the same due care when traveling on County business.

Likewise, Countywide Policy #1019, *Authorization and Payment of Travel Related Expenses*, establishes guidelines for payment for travel related expenses for County personnel. County business means duties and activities that are properly approved by the traveler's superiors.

As stated in Section 1.0 of Policy #1019:

*Travel must have a clear County government purpose.*

CRD Division management, specifically Gallegos, allowed Parks extensive freedom over the administration of the AmeriCorps project in St. George. Although Parks submitted memos to management describing his planned activities in St. George, he made no reference to the serious time recording issues, and misled them about his efforts to expand AmeriCorps activities in St. George to cover up his real intent.

In fact, he only engaged in a few minor work-related activities while in St. George, for example, attempting to collect documentation from members. We learned from our interview with Benward that on one of his site visits to the House, Parks led the Lost Boys in a Yoga class. This clearly displays a lack of "judicious and reasonable" use of grant funds. Likewise, Parks was not in compliance with ethical standards required of County employees when he fraudulently used grant funds for personal purposes.

#### **4.0 Additional Oversight and Reporting Responsibilities of CRD Division Management and the State AmeriCorps Program Manager**

In addition to our review of Park's administration of the AmeriCorps program, set forth in other sections of this report, we assessed the duty of care required of the CRD Division management. This review focused on their independent program oversight, assessment and reporting

responsibilities to New Frontiers, and the State and National AmeriCorps programs. We also interviewed the State AmeriCorps Program management to assess their oversight and management responsibilities.

AmeriCorps program regulations and grant provisions require that if anyone involved with the AmeriCorps program becomes aware of any instances of fraud or abuse, they must report the situation to the proper authorities.

We have established that Parks participated in a fraudulent and deceptive scheme to misuse the AmeriCorps grant funds. Moreover, CRD Division administrators did not provide adequate management oversight or implement and enforce sufficient internal controls over the AmeriCorps program.

From our interview with Stoddard, we concluded that oversight at that level exhibited a similarly passive regard for due care and oversight. As with County managers, a significant amount of trust and confidence was placed in Parks, with very little independent assessment of his actions, even when unusual activities and situations were brought to their attention.

***Lack of oversight and adequate internal controls provided Parks the opportunity to commit fraud.***

This lack of oversight and adequate internal controls provided Parks and the members at the House the opportunity to commit fraud. The lack of administrative due care at both the County and State levels, we concluded, reached the point of malfeasance or nonfeasance in public office.

Our findings with regard to these issues are as follows:

- ***The lack of due care by County CRD Division management contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.***
- ***The State's approach to monitoring only at the program level contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.***

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#### **4.1 The lack of due care by County CRD Division management contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.**

**CRD Division Director (Gallegos).** Gallegos had overall administrative responsibility for the County's AmeriCorps Program. Parks reported to Gallegos through the Associate Director. Gallegos' approval signature

was required on payroll authorizations and some official records that were fraudulently prepared and sent forward by Parks.

The investigation showed a lack of due care by Gallegos. Both documentary evidence and interviews with CRD Division employees disclosed a passive interest by Gallegos in this “special” program run by a Garfield County non-profit, operating a home for displaced boys in Washington County. This lack of engaged oversight provided the opportunity for Parks to perpetrate the fraudulent misrepresentations on official records and bogus payroll transactions that persisted for nearly two years.

**CRD Division Associate Director (Steadman).** Steadman was responsible for evaluating the performance of Parks, who reports directly to him. He was also a member of the CRD Division’s executive committee, which meets to review each AmeriCorps host-site contract to evaluate whether the contract is in the best interest of the County and can be adequately funded.

We reviewed Parks’ official performance evaluation records for periods ending February 15, 2007 through 2010. Steadman had high praise for Parks’ work, rating him as meeting and sometimes exceeding expectations. We noted that the “Expectations” section of the performance evaluations: 1) read more like phrases from a job description, 2) were exactly the same each year, and 3) were given the same weighting each year. Excerpts from each year’s narrative by Steadman follow:

**February 15, 2007 (covering 2006)** – *“My experience with Rich has been through the Youthbuild and previous AmeriCorps programs where he has been the program manager for both. He was placed under my supervision for his proposal that was funded by AmeriCorps that provides funding for 20 volunteers to work in the area of homelessness, primarily in Salt Lake County.”*

*“Of approximately 19 volunteers who were recruited and began working in October 2006, only one has left the program.”*

*“Hours of work are being monitored to make sure AmeriCorps members are on track to receive their educational stipends.”*

*“Some of the volunteers are leading out and helping shape efforts broader than the agency in which they work.”*

*“I believe Rich has the skills, abilities, and time to take on other projects. Two examples are the Mayor’s Youth Council and some work with Bridges Out of Poverty in conjunction with Lloyd Pendleton, State Homeless Coordinator. AmeriCorps should remain his top priority but these other programs fit well with his experience and skills.”*

**(Note: This was the year that Benward became an AmeriCorps member, while at the same time serving as the host-site supervisor for New**

**Frontiers at the House. In addition, she was paid a full-time living allowance, yet only working half-time.)**

**February 15, 2008 (covering 2007)** – “... the rollout of the pilot for housing youth is underway. In conjunction with that is the opportunity to develop, acquire, or use a facility specifically designed for youth housing. This effort will necessitate collaboration among many different partners in the community, which needs to happen if these youth are to be adequately served.”

“Recruiting AmeriCorps members will again be a big task.”

“Creative measures to attract new volunteers will again be needed.”

**(Note: In July of 2007, Christensen and another member began their first terms of service and the House opened; Lost Boys and AmeriCorps members were living there.)**

**February 15, 2009 (covering 2008)** – “This past year has been eventful in a variety of ways. The second year of the [AmeriCorps] program was completed. With this completion came the task of finding new AmeriCorps members for the third year, which began in October of 2008.”

“However, recruitment occurred, new sites were secured, agreements signed, and new members were placed. I am pleased with the new sites which add to the richness of the program.”

“The success of the housing for youth is an area we should look to expand in 2008. There are funding opportunities both at the state and county level that can help increase the number of youth housed.”

“I was glad to see [that in] the past year that his increased job responsibilities were recognized by County Personnel, when doing the job of classification analysis, and that Rich’s job was adjusted.”

**(Note: Christensen, though continuing to be paid a living allowance through June 2008, had been terminated from the House in December 2007. Nonetheless, Christensen was re-enrolled for a second term. The House was closed due to zoning and licensing issues in October 2008.)**

**February 15, 2010 (covering 2009)** – “2009 saw the completion of the third year of the AmeriCorps program. I believe the State of Utah and the agencies we work with in placing AmeriCorps members are now beginning to see the value and benefit of this program.”

“One area that I have thought about is how to best evaluate the success of the AmeriCorps members in what they do. Although a lot of quantitative data is gathered on the number of hours

*served or the people seen, I have not seen qualitative data that would demonstrate the success of the program. This is particularly challenging due to the number of sites, members, and different assignments that members have.”*

**(Note: Neither in this evaluation, nor any of those excerpted above, is there even the slightest hint of any problems with the County’s contract with New Frontiers, the zoning issues with the House in St. George, or the persistent issues with AmeriCorps members failing to submit time records in a timely and complete manner.)**

When we asked him if he received much direct supervision from Steadman, Parks stated:

*“I worked in that division [the CRD Division] for 17 years. I mean, it’s the culture. You know, you run your thing. You go to the division, for example, you talk about a situation, and he doesn’t say anything, so that he’s not in it. So you get the message, you run your stuff.”*

**CRD Division Fiscal Manager (Steffey).** As the CRD Division’s Fiscal Manager, Steffey worked closely with Parks on all of the financial aspects of the AmeriCorps grant. In our opinion, the fraud perpetrated by Parks could have been detected and possibly prevented if a strong set of fiscal internal controls were in place. CRD Division management displayed a trusting attitude towards all aspects of Parks’ administration of the AmeriCorps Program, and failed to institute any meaningful internal controls over the processes for which Parks was responsible. An example of the lack of internal control came to light during several interviews with Steffey.

He described the payroll authorization and enrollment process for members using *County Personnel Action Form, CP-4 (CP-4 Form)*. Parks completed the *CP-4 Form* indicating the approved semi-monthly pay and Gallegos signed off indicating approval. However, Steffey admitted that there was no additional verification, such as a review of the member’s contract, to independently validate that the amount approved on the *CP-4 Form* corresponded to the amount on the member’s contract. He relied solely on the word of Parks.

He further explained that if the wrong pay amount was entered, Parks should have caught it during his review of the payroll authorization list. Steffey verified that Parks, or his assistant, had signed the payroll authorization list to indicate approval of the payroll amounts.

Steffey was surprised when we reviewed with him documentation that clearly showed that members’ living allowances, per their member contract, did not match with the amount approved on the *CP-4 Form*, signed by Parks, and approved by Gallegos.

**4.2 The State's approach to monitoring only at the program level contributed to the environment that allowed Parks the opportunity to perpetrate acts of fraud and deception.**

**State AmeriCorps Program Manager (Stoddard) and Program Monitor (Young).** Stoddard works directly for the Utah State Commission on Volunteers. She serves as the State AmeriCorps Program Manager. From 2006 to 2009, the CRD Division's AmeriCorps Program was administered and monitored by the State AmeriCorps Program.

From our interview with Stoddard and the State Program Monitor, Young, we learned the following:

1. Although Stoddard was aware of citizen complaints about the House project and the zoning issues with the City of St. George, she assumed that Parks had done his due diligence before entering into an agreement with New Frontiers. She stated that she would not have allowed AmeriCorps members to serve at the House, if she had known that the House was operating in violation of zoning ordinances. However, she took no action to investigate and determine the seriousness of the zoning issues, and the House continued to operate in violation until local officials forced its closure in October of 2008.
2. After her one site-assessment visit to the House, Stoddard came away with the impression that the House project did not represent the best use of the AmeriCorps program's time and resources. Yet, this did not cause her enough concern to raise these issues with Parks, Gallegos, or Steadman.
3. Although charged with grant monitoring responsibilities, she demonstrated during our interview a limited mastery of the various federal rules, regulations, and grant provisions that provide fiscal and programmatic structure to the AmeriCorps program. For example, she hesitated when questioned about whether the excessive commuting time reported as direct service hours by Benward could be counted toward her AmeriCorps service commitment, when it's arguably not a direct service activity.
4. Stoddard had a very trusting, positive relationship with Parks. She stated that Parks was:
  - a. Very passionate about his work and very responsive to anything she asked of him.
  - b. Sometimes he was resistant and pushed back a bit when he felt like Federal grant requirements were overly unreasonable and burdensome.
  - c. She stated that she tried really hard not to ask Parks to do anything that was overly unreasonable. For example, Parks' Assistant complained to her that Parks was not supportive of her efforts to obtain member time sheets on



time. She wanted ammunition to go to Parks and get his support.

Stoddard advised Parks' Assistant that there weren't any federal rules or regulations that cover actions to take by program directors when member fail to submit time sheets every week, as was required.

Stoddard stated that she never called Parks after she received the complaint. She only spoke with Parks about the delinquent time sheets, later, at a Program Director's training session.

Stoddard was surprised when shown time sheets with significant delays in submission, including extended periods when no time sheets were submitted at all by members serving at the House.

Based on the information obtained from this interview, we concluded that Stoddard's and Young's approach to monitoring only at the program level contributed to the environment that allowed Parks the opportunity to perpetrate the acts of fraud and deception described throughout this report, including:

1. Parks allowed Benward to act as the host-site supervisor at the House while she was enrolled as a member. Stoddard confirmed that this was not allowed under AmeriCorps grant provisions and federal regulations.
2. The State's monitoring approach relied heavily on the veracity of the sub-grantees' documentation with no independent verification of the information submitted. This enabled Parks to continue to pay Christensen's living allowance from January through June 2008, even though she terminated from the House project and performed no qualifying service hours.
3. The House project continued operation from early 2007 through October 2008 despite being out of compliance with local zoning ordinances and without proper clinical licensing of New Frontiers' on-site Clinical Director, Benward. The closure of the House received significant publicity in the local media.
4. Parks allowed Benward to report over 1,000 hours of travel time as direct service hours, which allowed her to complete her term of service and receive an educational award.

Finally, in our interviews with both County and State AmeriCorps administrators they expressed the view that their most important role was to insure that members completed their term of service and qualified for the educational award. We concluded that this overriding strategic objective provided an astonishing degree of "pressure from the federal level" to make the program succeed at all costs.

Thus, it appears that “working the system” to achieve results could have provided the rationalization for the fraudulent and deceptive acts committed by Parks, with enabling oversight by County and State administrators whose focus was on just “hitting the numbers.”

## 5.0 Other Issues Brought to our Attention

During our investigation, we discovered several other issues which are discussed in the findings below.

- ***The AmeriCorps Program Director waived an additional \$6,248 in grant match funds that New Frontiers owed the County, when an AmeriCorps member quit working at the House.***
- ***The AmeriCorps Program Director paid AmeriCorps members an incentive award, which was reviewed and disallowed for reimbursement by the State AmeriCorps Program.***
- ***Although the necessary re-zoning was never acquired to allow the House to be used as a transitional youth home for the “Lost Boys,” the AmeriCorps Program Director used grant funds to support the House project.***
- ***The limited requirements of the State AmeriCorps program’s monitoring of sub-grantee programs contributed to the AmeriCorps Program Director’s opportunity to misappropriate federal grant funds***

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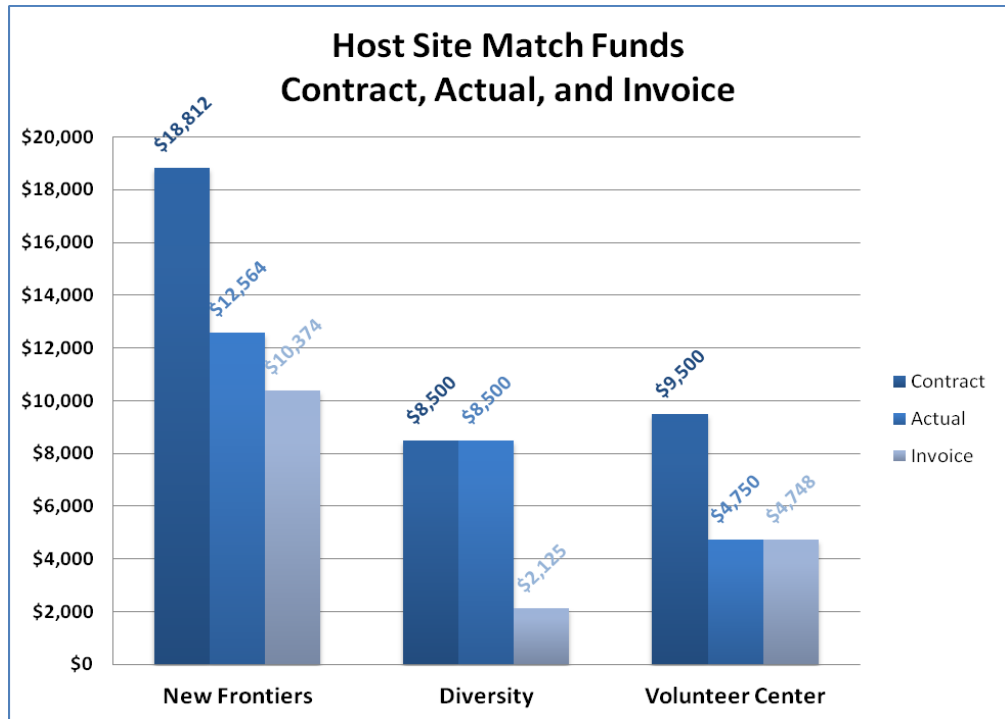
### 5.1 The AmeriCorps Program Director waived an additional \$6,248 in grant match funds that New Frontiers owed the County, when an AmeriCorps member quit working at the House.

The AmeriCorps grant provisions require that grantees provide a certain percentage of grant match funds for each program year. The CRD Division invoices the host-site organizations for these match funds based on the number of members enrolled to serve at each site. The County enters into a contract with each host-site organization, stipulating the number of members who will work at the host site, and the amount of the grant match funds required for the members.

Through our investigation we discovered that New Frontiers did not remit the correct amount of match funds required for the actual number of members that served at the House from October 2006 to October 2008. We reviewed the *Member Enrollment Forms* and the *Member Contracts* of each of the members who served at the House. Based on these documents, we constructed a timeline that identified each member’s

status during his or her term of service (i.e., full-time member or half-time member). See Appendix E for additional information.

In the timeline, we calculated the total match New Frontiers should have paid the County, based on the actual number of enrolled members who served at the House. We multiplied the match fund rates per member that the CRD Division charged each host-site organization by the number of enrolled members. We determined that New Frontiers should have been charged a total of \$18,812 in match funds from October 2006 to October 2008. However, the total County cash receipts from New Frontiers was only \$12,564, a difference of \$6,248 in match funds owed to the County.



**Figure 2.** The host site organizations did not remit the full amount of matching funds stipulated in their contracts with Salt Lake County.

We were only able to find one County contract with New Frontiers during the period under review. The contract period began on July 2, 2008. Attachment A of the contract states that the County shall:

- (a) Provide one and one-half (1.5) half-time AmeriCorps members in addition to the currently serving part time member and one (1) full time AmeriCorps member (“ACMs”) to serve on behalf of the HOST ORGANIZATION.

In contrast, Attachment B of the contract signed by the Executive Director of New Frontiers, states that the HOST ORGANIZATION (New Frontiers) shall:

(a) Provide the COUNTY with \$12,750 (Twelve thousand seven hundred fifty and zero hundredths dollars) in consideration of the services provided by the COUNTY to the HOST ORGANIZATION (including but not limited to the services set forth in Attachment A) to offset the COUNTY's costs associated with administering the program. These funds include \$4,000 owed by New Frontiers for Families from a currently serving AmeriCorps member. Their term of service began on October 18, 2006.

We determined on the contract date (July 2, 2008) that there was, in fact, only one half-time member assigned to the House. It is unclear who is referred to in the contract language that states "in addition to the currently serving part-time member and one (1) full-time" members. We were puzzled that no other contract could be produced by Steffey between the County and New Frontiers covering the period of October 2006 through June 2008.

During our interviews with CRD Division staff, we determined that AmeriCorps program contracts between host-site organizations and the County are drafted initially by Parks and then are reviewed by an executive committee within the CRD Division. This committee is comprised of Gallegos, Steadman, Steffey, and Parks. We were told by Steffey that any changes, either prior to or during a member's term of service, require that a new contract be prepared.

Emails obtained from Christensen's email account indicate that she had a falling out with her sister, Benward, sometime in late 2007, and that she was no longer working or living at the House as early as December 2007. Despite the fact that it appears that Christensen was no longer serving at an approved AmeriCorps host site, she continued to be enrolled in the AmeriCorps program and received her County living allowance checks and health care through the end of her first term on June 30, 2008.

Fraudulent time sheets were submitted for Christensen for the period between December 2007 and June 2008, which indicated that she was still volunteering for New Frontiers at the House project. In addition, we found fraudulent mid-term and end-of-term performance evaluations in Christensen's member file that also indicated she was still enrolled as an AmeriCorps member for New Frontiers. Parks' signature appears on both of these fraudulent performance evaluations.

In an email dated August 28, 2008, provided by Steffey, the Finance Director of New Frontiers confirmed that Christensen was no longer working for them after December 31, 2007. In the email, the Finance Director was disputing the total match funds that the CRD Division had invoiced to New Frontiers, during the remainder of the contract year. She indicated in the email, that Christensen was no longer volunteering at the House after December 31, 2007, and that New Frontiers would not pay the additional \$6,248 in match funds for Christensen's position.

In another email dated October 29, 2008, between Parks and the Finance Director of New Frontiers, Parks waived the additional match funds that New Frontiers owed to the County for the half-time AmeriCorps position occupied by Christensen. He stated in the email that New Frontiers would not be billed for any amount beyond what was currently owed for the actual number of members volunteering at the House at the end of the contract. It is unclear with what authority Parks was able to waive the match funds that were due. Additionally, Steffey indicated that the waiver was the reason that the County did not collect the outstanding \$6,248 owed by New Frontiers.

We concluded that Parks must have been aware that Christensen was no longer working at an approved AmeriCorps host site from December 31, 2007 to June 30, 2008. To keep Christensen enrolled in the AmeriCorps program, Parks produced and/or accepted fraudulent time sheets for Christensen during this time period, and created fraudulent mid-term and end-of-term performance evaluations for her. The lack of adequate internal controls and management oversight within the CRD Division allowed Parks to keep Christensen enrolled without her actually working any direct service hours at an approved host site.

*Parks kept Christensen enrolled without her actually working for the last six months of her term of service.*

During this time, Christensen continued to receive all of her service benefits, including her County living allowance checks and health care benefits. Parks also certified on Christensen's *Exit Form* that she had completed the required 900 hours of service during her term, and was eligible for an education award that could be used towards tuition or any outstanding student loan debt.

Since the amount of grant funds reimbursed to the County from the State program are based on the actual number of members that complete their term of service, Parks was motivated to keep Christensen enrolled in the program regardless of whether or not she was actually working at a host site. In addition, because Parks waived the outstanding \$6,248 in match funds for Christensen's AmeriCorps position, that difference was paid directly out of County funds.

## **5.2 The AmeriCorps Program Director paid AmeriCorps members an incentive award, which was reviewed and disallowed for reimbursement by the State AmeriCorps Program.**

While reviewing the Employee Pay History reports for each of the members that served at the House, we identified an incentive award, or cash bonus, that was added to each member's living allowance check for the pay period ending October 31, 2007. CRD Division staff later confirmed that a cash bonus was paid to the members enrolled at the time.

The CRD Division staff recalled that the program had under-expended its budgeted living allowance expense for the contract year and "had extra

funds in the budget.” They characterized the cash bonuses as “incentive awards” paid to the members who had agreed to enroll for a second term of service after successfully completing their first terms. They also recalled that it was Parks’ idea to award the cash bonuses, as a way to retain members for a second year of AmeriCorps service.

In contrast, Parks stated that it was Steffey’ idea to pay the incentive awards. According to Parks:

*“Steffey came to me and we had a meeting about it with the division executive team; and he [Steffey] had money left over, and so what are we going to do with it.”*

Not only did Parks deny that it was his idea to pay the incentive awards, he also denied that the awards were an incentive for members to re-enroll for a second term as Steffey told us in one of the interviews we had with him.

Steffey provided us with a list of members who received the cash bonuses. According to the list, 18 members received a cash bonus, including the three members who were enrolled to work at the House. Thirteen of the members on the list received bonuses of \$1,300 each, four received \$650 each, and the remaining half-time member received \$325.

Despite the CRD Division staff’s characterization that the bonuses were paid as an incentive award to encourage members to enroll in a second term, we discovered that several members had not completed a full term of service, yet were paid the cash bonus anyway. For example, four members received a cash bonus even though they had only been enrolled in their first term for three months. Two of those four members were enrolled to serve at the House in July 2007. Clearly, the incentive awards were not paid to these four members to encourage them to enroll for a second term of service, as the CRD Division staff had indicated.

When we asked Parks what the motivation was for paying the incentive awards, he stated:

*“If people had done a good job. They don’t make enough money. We have this money; what should we do with it?”*

As stated above, the CRD Division requested reimbursement from the State AmeriCorps Program for the total cost of the cash bonuses, \$19,825. In our interview with Stoddard, she recalled that her office disallowed reimbursement of the cash bonuses.

However, Stoddard was certain that any claim for reimbursement for living allowance from grant funds must be related to members who had successfully completed their term of service. If fewer than the number of members that the grantee (the CRD Division in this case) had originally budgeted for, completed their terms of service during the year, then the

*Parks tried to find a creative way to spend unused living allowance funds.*

excess funds could not be expended on cash bonuses to the remaining enrolled members. This was the reason why Stoddard had disallowed the County's reimbursement request. Stoddard stated that it would be inappropriate for a program to "come up with creative ways to spend its [grant] money."

We verified that this was indeed what had happened. In our interview with Steffey, he provided the CRD Division's AmeriCorps Request for Reimbursement that he prepared and submitted to the State for the fourth quarter of the 2006 to 2007 contract year (October 2006 – September 2007). The supporting documentation he provided with the request states under *Section II: Member Costs, A. Living Allowance*: "Completion Bonus -- \$19,825."

It appeared to us that the CRD Division staff thought that extra living allowance funds were available because they had "under-expended" that year's budgeted amount. This provided Parks the opportunity to attempt to award bonuses to the members still enrolled at the end of the year. Since the reimbursement for the cash bonuses was disallowed by Stoddard, these costs were absorbed by the County's general fund.

We learned from our interview with Steffey that Parks would have needed the approval of Gallegos to pay any cash bonuses to the members who were currently enrolled. We found no evidence that such approval was ever sought or given.

Contrary to the explanation we obtained from Steffey, Parks asserted that he was not aware that the amounts paid for the incentive awards were not reimbursed by the State. Parks also asserted that Steffey never discussed with him the facts surrounding the disallowed reimbursement request.

### **5.3 Although the necessary re-zoning was never acquired to allow the House to be used as a transitional youth home for the "Lost Boys," the AmeriCorps Program Director used grant funds to support the House project.**

Because the purpose of the House was to provide transitional housing for the "Lost Boys," the zoning for the property needed to be changed. However, as pointed out previously, the House was never re-zoned by the City of St. George, and therefore, the project was operating illegally. AmeriCorps grant provisions dictate that federal grant funds shall not be used to fund a project where any aspect of the project violates federal, state, or city laws.

A city establishes zoning requirements to protect the health, safety, and welfare of a community. The zoning administrator of the subject jurisdiction collaborates with a variety of people when reviewing an application for the re-zoning of a property. When a re-zoning application is reviewed, there are several factors that a zoning administrator

considers when determining whether to re-zone the property. The zoning administrator may deny zoning for a number of reasons; one of which may be that the requested zoning is not conducive or in harmony with the existing neighborhood.

When a County agency applies for and receives grant money, it is the responsibility of agency management to insure that the administration of the grant is in compliance with appropriate rules and regulations, and that County money is not jeopardized.

Parks and CRD Division management failed to perform proper due diligence before entering into the agreement with New Frontiers to provide resources for the House project. At a minimum, they should have verified whether the House was properly zoned for the activities for which they were using grant funds. By not performing this verification, the AmeriCorps grant funds were not used in the most efficient manner.

In our interviews with State officials, Stoddard expressed the view that she would not have approved funding a host-organization's operating site if the facility did not comply with zoning ordinances. Likewise, the Director of the State Community Services (Utah State Department of Community and Culture) expressed the view that the House project was such an "unproven" concept that without the legislative intent of H.B. 150 passed in the 2007 legislature, the State Community Services office would not have funded the House project. However, the zoning issues surrounding the House were repeatedly reported in both St. George and Salt Lake City newspapers and resulted in no action by County or State officials until the City of St. George ordered the House closed.

#### **5.4 The limited requirements of the State AmeriCorps program's monitoring of sub-grantee programs contributed to the AmeriCorps Program Director's opportunity to misappropriate federal grant funds.**

In the *Application for Federal Assistance*, the CRD Division must specify the number of slots for full-time members that they are requesting per the application. According to the *Application for Federal Assistance* dated December 21, 2006, the CRD Division solicited for 20 slots for full-time members. According to the narrative in the application, "18 of the 20 members would serve in Salt Lake County while the remaining would serve at agencies in the southwestern corner of Utah."

If the CRD Division is awarded slots for 20 full-time equivalents, the total dollars in the budget for living allowance is based on that number of slots. The approved budget for living allowance amounts cannot be transferred to other line items in the budget if the total number of members changes during the program year. Therefore, there was an incentive for Parks to ensure that there are members enrolled in the various projects to equal the approved number of full-time equivalents and ensure that the CRD



Division is able to claim the maximum allowable reimbursement amounts each quarter.

If a member (Person A) stops working, but Parks keeps Person A on the enrollment per the AmeriCorps records and submits fraudulent time sheets to look like Person A is still working at a host-site project, he would be able to submit a request for reimbursement from the State for Person A's (a "ghost employee") living allowance. However, because the amount was never actually paid to Person A, Parks could use that money to pay a different member (Person B) a full-time living allowance even though Person B was only enrolled on the AmeriCorps records as a half-time member.

This would allow Parks to continue to expend the money in the living allowance line item of the budget. On the other hand, if Parks terminates, from the AmeriCorps records, a member who has stopped working, the budgeted amount for that person's living allowance would remain with the State.

Stoddard monitors the total number of members for which an AmeriCorps program administrator applies. If the AmeriCorps program uses the grant money to contract with individual host-site organizations, Stoddard does not monitor the living allowance expenses that are spent at the host-site organization. As discussed in Section 4.2, the extent of Stoddard's monitoring was with a grantee's entire program. She does not review the individual host-site organizations or the exact number of members that are assigned to a specific host-site and actually working. Instead, the State monitors the CRD Division's performance in providing services in accordance with the purposes of the contract.

Because monitoring at the State level during the plan year is not focused on individual members and whether or not members are actually performing the direct service hours that are recorded on their time sheets, no one at the State level would notice if a program administrator was submitting records for "ghost employees."

At the end of the program year, Stoddard reviews the records to determine if each member in the program has completed the appropriate number of hours as specified in his or her *Member Contract*.

If members do not complete the required number of hours during the plan year (1,700 hours for full-time and 900 hours for half-time positions), the State only reimburses the living allowance for those members that complete their terms.

For example, Stoddard stated that in one of the requests for reimbursement submitted by the CRD Division, they requested reimbursement for 20 full-time members. However, when Stoddard reviewed the WBRS system, she found that only 18 members had completed their terms of service (i.e., completed the correct number of hours). Therefore, the State only reimbursed the CRD Division for 18 full-

time members. However, this monitoring process by the State would not reveal whether the 18 members had actually performed duties to acquire direct service hours for which they were given living allowances.

The control of whether actual duties were performed currently lies with the host-site organization. When the host-site supervisor signs the member's time sheets, the supervisor is authenticating to the truth of the recorded hours. However, if either the host-site supervisor(s) or the AmeriCorps Program Director allows fraudulent number of hours to be recorded, the control will be circumvented. This appears to be the case with the members who served at the House project.

As discussed in Sections 1.1, 1.2, 1.3, and 5.1, although the information which was sent to the State via the WBRS system showed that the members had completed the required number of hours, we doubt that the information on the time sheets for several of the members who worked in St. George was accurate.

## VI. Conclusion

The CRD Division had ultimate responsibility over the administration of the AmeriCorps grant funds and the actions of the AmeriCorps Program Director. Through our examination, we discovered multiple instances of fraud and deception committed by the AmeriCorps Program Director, Rich Parks.

The “fraud triangle” helps explain the nature of many occupational offenders. The acts of Parks can be explained by the elements of the fraud triangle, which are the following:

- **Pressures** - on the perpetrator, either financial or personal
- **Opportunity** - in the system created by lax oversight and weak internal controls
- **Rationalization** – by the perpetrator that he/she deserves more and is taking very little

**Pressures.** Our investigation revealed that Parks’ job depended solely on funding from the AmeriCorps grant. This appeared to create pressures on Parks to continue the AmeriCorps program and ensure its success. The pressures were compounded by his own lack of judgment in recruiting members with which he had a long history, then entering into a sexual relationship with one of them. This created conflicts and pressures that fed his acts of deceit and fraud. Secondary pressures appear to have come from the State legislature and the Attorney General’s office to expedite a program and facility to help the Lost Boys. Lastly, Jeremy Johnson’s roles, directly related to the House project and New Frontiers, currently under investigation by federal authorities, may have created additional pressures on Parks.

**Opportunity.** The County’s CRD Division directors had direct responsibility for the effective and efficient administration by Parks of the AmeriCorps grant funds. Our investigation shows that they placed an undeserved degree of trust in Parks. Their failure to provide effective oversight of the AmeriCorps grant funds provided Parks the opportunity to carry out his deceptive acts, even directly involving these administrators. Likewise, the State AmeriCorps Program monitoring approach was not focused at a level of detailed inquiry that might have uncovered Parks’ fraudulent acts. We concluded that Parks understood these weaknesses in the environment and exploited them to his advantage.

**Rationalization.** Parks may have rationalized his actions by convincing himself that this relatively small AmeriCorps operation, that was both geographically and administratively remote, would not attract the attention of his superiors or State program monitors. His long history with two AmeriCorps members who served at the House, and were employed by New Frontiers, may have influenced his actions. Whatever the explanation, these factors seemed to facilitate his choice to manipulate and override the system.

If the CRD Division continues to apply for and receive AmeriCorps grant funding, we recommend a thorough review of all duties and responsibilities of County employees assigned to administer these grant programs, to ensure effective internal controls over the process.

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## TITLE 18, PART I, CHAPTER 63 MAIL FRAUD AND OTHER FRAUD OFFENSES

### VII. CORRUPTION-RELATED FEDERAL STATUTES

#### D. FRAUD AND THEFT

##### 1) **Mail Fraud [Title 18, USC, § 1341]**

- a) Whoever, having devised or intending to devise any scheme or artifice to defraud;  
or
- b) for obtaining money or property by false or fraudulent pretenses, representations,  
or promises;
- c) for the purpose of executing such scheme or artifice or attempting to do so;
- d) places or causes to be placed any mail matter to be delivered by the United States  
Postal Service or any private or commercial interstate carrier; or
- e) takes or receives therefrom, any such matter;
- f) shall be fined or imprisoned for not more than five years, or both.

##### 2) **Wire Fraud [Title 18, USC, § 1343]**

- a) Whoever, having devised or intending to devise any scheme or artifice to defraud;  
or
- b) for obtaining money or property by false or fraudulent pretenses, representations,  
or promises;
- c) transmits or cause to be transmitted by means of wire, radio or television  
communication in interstate or foreign commerce;
- d) any writings, signs, signals, pictures, or sounds for the purpose of executing such  
scheme or artifice to defraud;
- e) shall be fined or imprisoned for not more than five years, or both.

##### 4) **State or Local Program Fraud [Title 18, USC, § 666]**

- a) Whoever, being an agent of an organization, or of a state, local, or Indian tribal  
government, or any agency thereof;
- b) embezzles, steals, obtains by fraud, or otherwise without authority knowingly  
converts to the use of any person other than the rightful owner or intentionally  
misapplies property;

- c) valued at \$5,000 or more; and
- d) is owned by, or is under the care, custody or control of such organization, government or agency; and
- e) such state, local, or Indian tribal government or agency thereof receives, in any one year period, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance;
- f) shall be fined or imprisoned not more than 10 years, or both.

## **TITLE 18, PART I, CHAPTER 43 FRAUD AND FALSE STATEMENTS**

### **§ 1001 Statements or Entries Generally**

- a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—
  - 1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
  - 2) makes any materially false, fictitious, or fraudulent statement or representation; or
  - 3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both. If the matter relates to an offense under chapter 109A, 109B, 110, or 117, or section 1591, then the term of imprisonment imposed under this section shall be not more than 8 years.
- b) Subsection (a) does not apply to a party to a judicial proceeding, or that party's counsel, for statements, representations, writings or documents submitted by such party or counsel to a judge or magistrate in that proceeding.
- c) With respect to any matter within the jurisdiction of the legislative branch, subsection (a) shall apply only to—
  - 1) administrative matters, including a claim for payment, a matter related to the procurement of property or services, personnel or employment practices, or

- support services, or a document required by law, rule, or regulation to be submitted to the Congress or any office or officer within the legislative branch; or
- 2) any investigation or review, conducted pursuant to the authority of any committee, subcommittee, commission or office of the Congress, consistent with applicable rules of the House or Senate.



## Summary of Issues Found in Member Time Sheets

Member Name	#1 Issue	% of Total	#2 Issue	% of Total	#3 Issue	% of Total	#4 Issue	% of Total	#5 Issue	% of Total	#6 Issue	% of Total	#7 Issue	% of Total	Total Time Sheets
Benward, Michelle	28	35%	26	33%	4	5%	64	80%	26	33%	0	0%	0	0%	80
Christensen, Jami	6	9%	0	0%	41	64%	0	0%	29	45%	41	64%	10	16%	64
Holm, Margaret Lacy	0	0%	0	0%	38	78%	0	0%	4	8%	38	78%	0	0%	49
Cooke, Megan	0	0%	1	3%	6	16%	5	14%	8	22%	6	16%	0	0%	37
Bauer, Matthew	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
<b>Totals</b>	<b>34</b>	<b>15%</b>	<b>27</b>	<b>12%</b>	<b>89</b>	<b>39%</b>	<b>69</b>	<b>30%</b>	<b>67</b>	<b>29%</b>	<b>85</b>	<b>37%</b>	<b>10</b>	<b>4%</b>	<b>230</b>

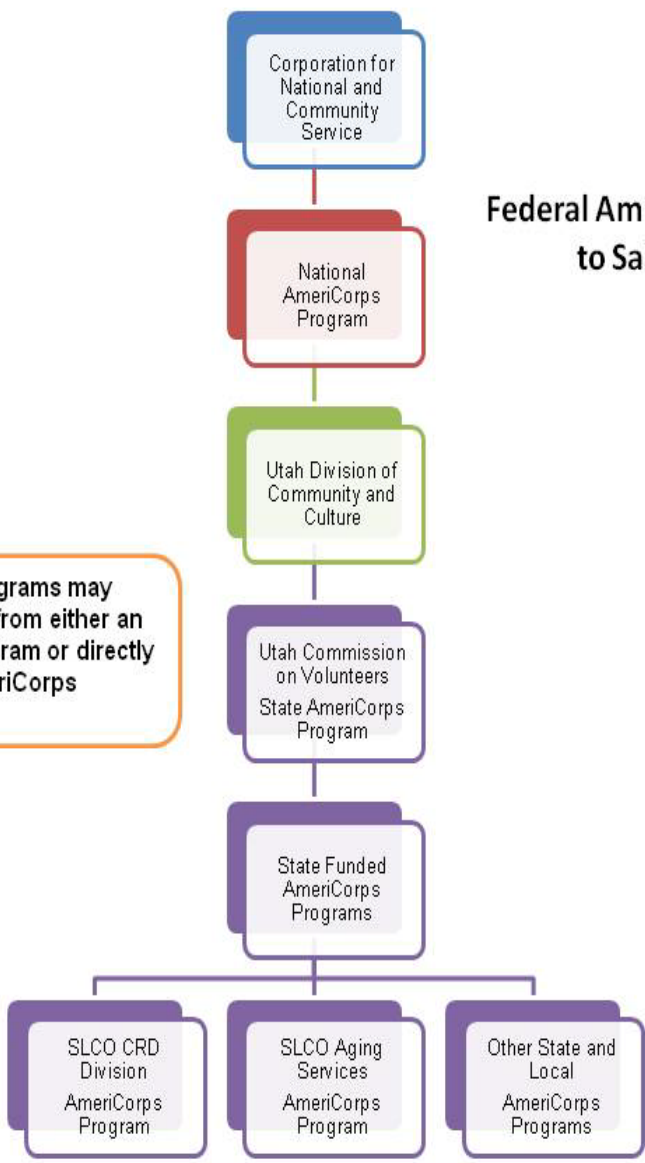
**Issue Key:**

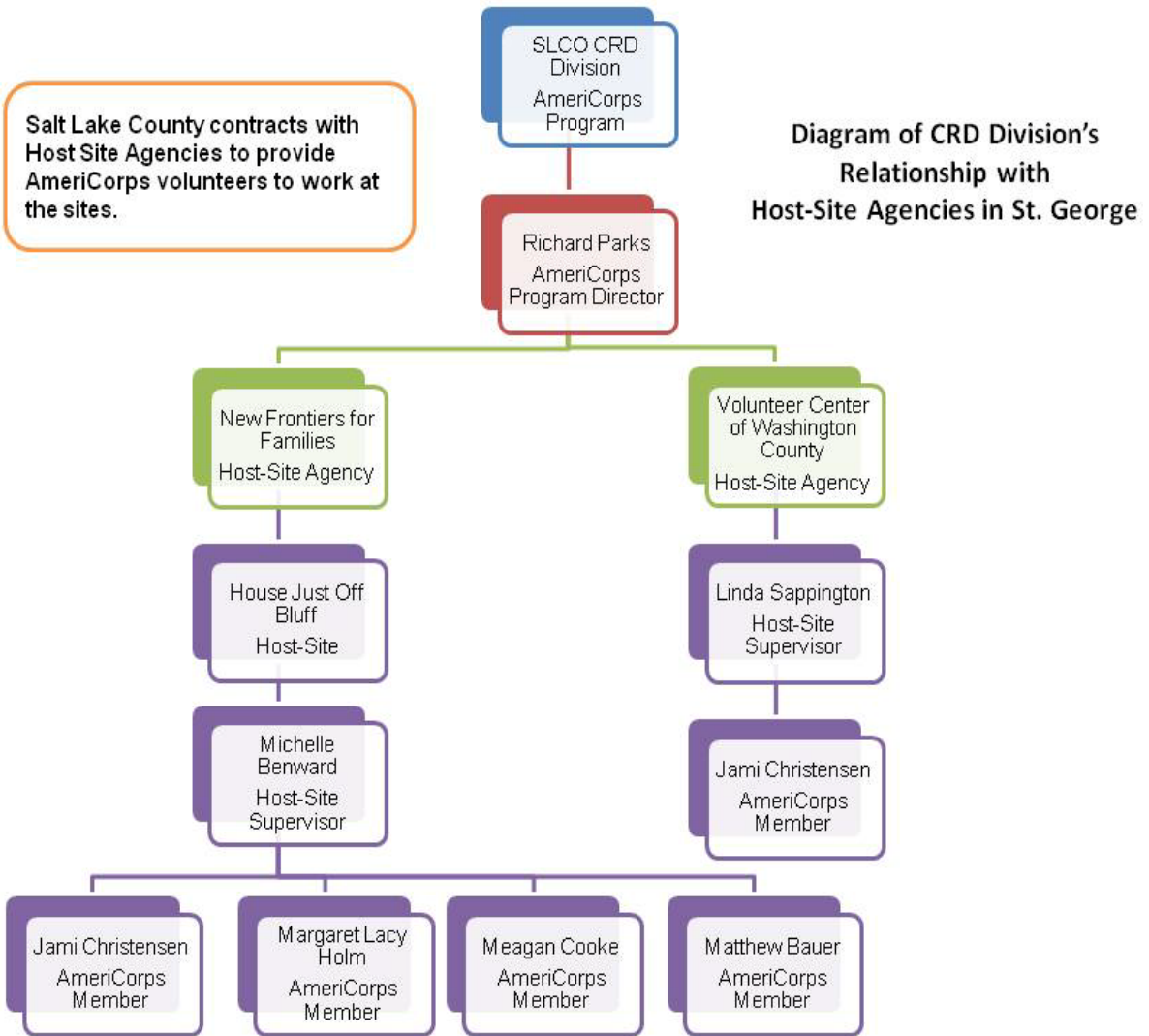
- #1** - Forgery or problem with host site supervisor's date/signature.
- #2** - Forgery or problem with member's date/signature.
- #3** - Signatures and/or information are photocopied onto time sheet/not original.
- #4** - Member reported disallowable hours (i.e. travel, camping, swimming, other).
- #5** - No time sheet was submitted for the week.
- #6** - Time sheet was not filled out in member's handwriting.
- #7** - Hours were added incorrectly.



## Flow of Federal AmeriCorps Grant Funds to Salt Lake County

Local AmeriCorps programs may receive grant funding from either an established State program or directly from the National AmeriCorps program.







## SLCO EMPLOYEE PAY HISTORY SEARCH

**MICHELLE CHRISTENSEN (BENWARD)**

Pay Period No.	Date	Regular Earnings	Gross Earnings	Amount per Member Contract	Difference Gross and Contract
1	10/31/2006	\$ -	\$ -	\$ 250.00	\$ (250.00)
2	11/15/2006	-	-	250.00	(250.00)
3	11/30/2006	1,250.00	1,250.00	250.00	1,000.00
4	12/15/2006	625.00	625.00	250.00	375.00
5	12/31/2006	625.00	625.00	250.00	375.00
6	1/15/2007	625.00	625.00	250.00	375.00
7	1/31/2007	625.00	625.00	250.00	375.00
8	2/15/2007	625.00	625.00	250.00	375.00
9	2/28/2007	625.00	625.00	250.00	375.00
10	3/15/2007	625.00	625.00	250.00	375.00
11	3/31/2007	625.00	625.00	250.00	375.00
12	4/15/2007	625.00	625.00	250.00	375.00
13	4/30/2007	625.00	625.00	250.00	375.00
14	5/15/2007	625.00	625.00	250.00	375.00
15	5/31/2007	625.00	625.00	250.00	375.00
16	6/15/2007	625.00	625.00	250.00	375.00
17	6/30/2007	625.00	625.00	250.00	375.00
18	7/15/2007	625.00	625.00	250.00	375.00
19	7/31/2007	625.00	625.00	250.00	375.00
20	8/15/2007	625.00	625.00	250.00	375.00
21	8/31/2007	625.00	625.00	250.00	375.00
22	9/15/2007	625.00	625.00	250.00	375.00
23	9/30/2007	625.00	625.00	250.00	375.00
24	10/15/2007	625.00	625.00	250.00	375.00
<b>1</b>	<b>10/31/2007</b>	<b>625.00</b>	<b>1,275.00</b>	<b>500.00</b>	<b>775.00</b>
2	11/15/2007	625.00	625.00	500.00	125.00
3	11/30/2007	625.00	625.00	500.00	125.00
4	12/15/2007	625.00	625.00	500.00	125.00
5	12/31/2007	625.00	625.00	500.00	125.00
6	1/15/2008	625.00	625.00	500.00	125.00
7	1/31/2008	625.00	625.00	500.00	125.00
8	2/15/2008	625.00	625.00	500.00	125.00
9	2/29/2008	625.00	625.00	500.00	125.00
10	3/15/2008	625.00	625.00	500.00	125.00
11	3/31/2008	625.00	625.00	500.00	125.00
12	4/14/2008	625.00	625.00	500.00	125.00
13	4/30/2008	625.00	625.00	500.00	125.00
14	5/15/2008	625.00	625.00	500.00	125.00
15	5/31/2008	625.00	625.00	500.00	125.00
16	6/15/2008	625.00	625.00	500.00	125.00
17	6/30/2008	625.00	625.00	500.00	125.00
18	7/15/2008	625.00	625.00	500.00	125.00
19	7/31/2008	625.00	625.00	500.00	125.00

**MICHELLE CHRISTENSEN (BENWARD)**

<b>Pay Period No.</b>	<b>Date</b>	<b>Regular Earnings</b>	<b>Gross Earnings</b>	<b>Amount per Member Contract</b>	<b>Difference Gross and Contract</b>
20	8/15/2008	625.00	625.00	500.00	125.00
21	8/31/2008	625.00	625.00	500.00	125.00
22	9/15/2008	625.00	625.00	500.00	125.00
23	9/30/2008	625.00	625.00	500.00	125.00
24	10/15/2008	-	-	500.00	(500.00)
<b>Totals</b>		<b>\$ 28,750.00</b>	<b>\$ 29,400.00</b>	<b>\$ 18,000.00</b>	<b>\$ 11,400.00</b>

**SLCO EMPLOYEE PAY HISTORY SEARCH**  
**JAMI LYNNE CHRISTENSEN**

Pay Period No.	Date	Regular Earnings	Gross Earnings	Amount per Member Contract	Amount per Contract with VCWC	Difference Gross and VCWC Contract
1	7/15/2007	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ -
2	7/31/2007	250.00	250.00	250.00	250.00	-
3	8/15/2007	250.00	250.00	250.00	250.00	-
4	8/31/2007	250.00	250.00	250.00	250.00	-
5	9/15/2007	250.00	250.00	250.00	250.00	-
6	9/30/2007	250.00	250.00	250.00	250.00	-
7	10/15/2007	318.00	318.00	250.00	250.00	68.00
8	10/31/2007	318.00	643.00	250.00	250.00	393.00
9	11/15/2007	318.00	318.00	250.00	250.00	68.00
10	11/30/2007	410.00	410.00	250.00	250.00	160.00
11	12/15/2007	341.00	341.00	250.00	250.00	91.00
12	12/31/2007	341.00	341.00	250.00	250.00	91.00
13	1/15/2008	341.00	341.00	250.00	250.00	91.00
14	1/31/2008	341.00	341.00	250.00	250.00	91.00
15	2/15/2008	341.00	341.00	250.00	250.00	91.00
16	2/29/2008	341.00	341.00	250.00	250.00	91.00
17	3/15/2008	341.00	341.00	250.00	250.00	91.00
18	3/31/2008	341.00	341.00	250.00	250.00	91.00
19	4/15/2008	341.00	341.00	250.00	250.00	91.00
20	4/30/2008	341.00	341.00	250.00	250.00	91.00
21	5/15/2008	341.00	341.00	250.00	250.00	91.00
22	5/31/2008	341.00	341.00	250.00	250.00	91.00
23	6/15/2008	341.00	341.00	250.00	250.00	91.00
24	6/30/2008	341.00	341.00	250.00	250.00	91.00
1	10/15/2008	625.00	625.00	625.00	312.50	312.50
2	10/31/2008	625.00	625.00	625.00	312.50	312.50
3	11/15/2008	625.00	625.00	625.00	312.50	312.50
4	11/30/2008	625.00	625.00	625.00	312.50	312.50
5	12/15/2008	625.00	625.00	625.00	312.50	312.50
6	12/31/2008	625.00	625.00	625.00	312.50	312.50
7	1/15/2009	625.00	625.00	625.00	312.50	312.50
8	1/31/2009	625.00	625.00	625.00	312.50	312.50
9	2/15/2009	625.00	625.00	625.00	312.50	312.50
10	2/28/2009	625.00	625.00	625.00	312.50	312.50
11	3/15/2009	625.00	625.00	625.00	312.50	312.50
12	3/31/2009	625.00	625.00	625.00	312.50	312.50
13	4/15/2009	625.00	625.00	625.00	312.50	312.50
14	4/30/2009	625.00	625.00	625.00	312.50	312.50
15	5/15/2009	625.00	625.00	625.00	312.50	312.50
16	5/31/2009	625.00	625.00	625.00	312.50	312.50
17	6/15/2009	625.00	625.00	625.00	312.50	312.50
18	6/30/2009	625.00	625.00	625.00	312.50	312.50

**JAMI LYNNE CHRISTENSEN**

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<b>Pay Period No.</b>	<b>Date</b>	<b>Regular Earnings</b>	<b>Gross Earnings</b>	<b>Amount per Member Contract</b>	<b>Amount per Contract with VCWC</b>	<b>Difference Gross and VCWC Contract</b>
19	7/15/2009	-	-	625.00	312.50	T
20	7/31/2009	-	-	625.00	312.50	T
21	8/15/2009	-	-	625.00	312.50	T
22	8/30/2009	-	-	625.00	312.50	T
23	10/15/2009	-	-	625.00	312.50	T
24	10/31/2009	-	-	625.00	312.50	T
<b>Totals</b>		<b>\$ 18,888.00</b>	<b>\$ 19,213.00</b>	<b>\$ 21,000.00</b>	<b>\$ 13,500.00</b>	<b>\$ 7,588.00</b>

**SLCO EMPLOYEE PAY HISTORY SEARCH**  
**MARGARET LACY HOLM**

Pay Period No.	Date	Regular Earnings	Gross Earnings	Amount per Member Contract	Difference Gross and Contract
1	7/15/2007	\$ 625.00	\$ 625.00	\$ 500.00	\$ 125.00
2	7/31/2007	625.00	625.00	500.00	125.00
3	8/15/2007	625.00	625.00	500.00	125.00
4	8/31/2007	625.00	625.00	500.00	125.00
5	9/15/2007	625.00	625.00	500.00	125.00
6	9/30/2007	625.00	625.00	500.00	125.00
7	10/15/2007	625.00	625.00	500.00	125.00
8	10/31/2007	341.00	1,275.00	312.50	962.50
9	11/15/2007	341.00	341.00	312.50	28.50
10	11/30/2007	341.00	341.00	312.50	28.50
11	12/15/2007	341.00	341.00	312.50	28.50
12	12/31/2007	341.00	341.00	312.50	28.50
13	1/15/2008	341.00	341.00	312.50	28.50
14	1/31/2008	341.00	341.00	312.50	28.50
15	2/15/2008	341.00	341.00	312.50	28.50
16	2/29/2008	341.00	341.00	312.50	28.50
17	3/15/2008	341.00	341.00	312.50	28.50
18	3/31/2008	341.00	341.00	312.50	28.50
19	4/15/2008	341.00	341.00	312.50	28.50
20	4/30/2008	341.00	341.00	312.50	28.50
21	5/15/2008	341.00	341.00	312.50	28.50
22	5/31/2008	341.00	341.00	312.50	28.50
23	6/15/2008	341.00	341.00	312.50	28.50
24	6/30/2008	341.00	341.00	312.50	28.50
<b>Totals</b>		<b>\$10,172.00</b>	<b>\$11,106.00</b>	<b>\$ 8,812.50</b>	<b>\$ 2,293.50</b>

## SLCO EMPLOYEE PAY HISTORY SEARCH

**MEGAN LAURIE COOKE**

Pay Period No.	Date	Regular Earnings	Gross Earnings	Amount per Member Contract	Difference Gross and Contract
1	11/15/2007	\$ -	\$ -	\$ 312.50	\$ (312.50)
2	11/30/2007	-	-	312.50	(312.50)
3	12/15/2007	-	-	312.50	(312.50)
4	12/30/2007	-	-	312.50	(312.50)
5	1/15/2008	-	-	312.50	(312.50)
6	1/31/2008	2,046.00	2,046.00	312.50	1,733.50
7	2/15/2008	341.00	341.00	312.50	28.50
8	2/29/2008	341.00	341.00	312.50	28.50
9	3/15/2008	341.00	341.00	312.50	28.50
10	3/31/2008	341.00	341.00	312.50	28.50
11	4/15/2008	341.00	341.00	312.50	28.50
12	4/30/2008	341.00	341.00	312.50	28.50
13	5/15/2008	341.00	341.00	312.50	28.50
14	5/31/2008	341.00	341.00	312.50	28.50
15	6/15/2008	341.00	341.00	312.50	28.50
16	6/30/2008	341.00	341.00	312.50	28.50
17	7/15/2008	341.00	341.00	312.50	28.50
18	7/31/2008	341.00	341.00	312.50	28.50
19	8/15/2008	341.00	341.00	312.50	28.50
20	8/31/2008	341.00	341.00	312.50	28.50
21	9/15/2008	341.00	341.00	312.50	28.50
22	9/30/2008	341.00	341.00	312.50	28.50
23	10/15/2008	341.00	341.00	312.50	28.50
24	10/31/2008	-	-	312.50	T
<b>Totals</b>		<b>\$ 7,843.00</b>	<b>\$ 7,843.00</b>	<b>\$ 7,500.00</b>	<b>\$ 655.50</b>

