



OFFICE OF THE
UTAH STATE AUDITOR

News Release
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Office of the Utah State Auditor Releases
Utah Schools for the Deaf and Blind Report on Investigation of Theft

*Investigation shows USDB funds were misappropriated and
management financial reports were falsified*

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) today released its *Report on the Investigation of Theft at the Utah Schools for the Deaf and Blind (USDB)* for the period January 2012 through April 2016. The Office reviewed credit card use, cash receipts and other records and transactions.

The Office identified at least \$67,093 that was likely misappropriated by a former analyst through inappropriate credit card use and missing cash receipts. Due to a significant number of missing records, the Office believes that additional fraudulent purchases likely occurred. The Office also noted that management financial reports presented to the USDB Advisory Council had been falsified or manipulated by the former analyst to cover up the misappropriation of funds.

Said Utah State Auditor John Dougall, “I find it troubling that someone would be so callous as to steal funds donated to serve deaf and blind students.”

The USDB contacted the Office regarding a possible theft that was detected as a result of improved policies and procedures instituted by the current USDB administration, as well as its previous finance director. The Office identified weaknesses which allowed the theft to go undetected for several years, resulting in an amount significantly larger than initially thought. These weaknesses included inadequate separation of duties and previous management’s failure to implement effective internal controls. The report also highlights USDB staff’s failure to follow established procedures.

The Office recognizes the many challenges which the current administrator and previous finance director faced and the many improvements made under their watch. This report reinforces the importance of management ensuring compliance with effective policies, once established.

The Office recommends that USDB pursue civil litigation to recover any stolen funds and turn the matter over to authorities for criminal prosecution.

The full report may be found on the Office's website, auditor.utah.gov, specifically at <http://financialreports.utah.gov/saoreports/2016/DBS-16-SP2USDBTheftUtahSchoolsfortheDeafandBlind.pdf> .

About the Office of the Utah State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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