

Office of the
INSPECTOR GENERAL



REPORT OF INVESTIGATION

File Number: 07-025

Agency: Department of Technical Adult Education

Basis for Investigation: Anonymous Complaint

Allegations: Misuse of funds, abuse of position at Flint River
Technical College

Date Opened: March 23, 2007

Investigated By: Deputy Inspector General Phil Walker
Deputy Inspector General Kisa Pangburn

Date of Report: August 17, 2007

Elizabeth P. Archer, Inspector General

OFFICE OF THE INSPECTOR GENERAL



File Number: 07-025

EXECUTIVE SUMMARY

On March 22, 2007, the Office of the Inspector General received an anonymous complaint alleging incidents of mismanagement, improper conduct, waste and abuse of position by Kathy S. Love, President of Flint River Technical College (FRTC).

The complainant(s) alleged that President Love abused her authority by requiring FRTC employees to work private parties and parties “guised” as official events at her residence. In addition, it was alleged that she used state funds to pay for “political” events and specifically, used the Student Activity Fund as her personal “slush” fund.

In the course of our investigation, we conducted numerous interviews and reviewed various financial documents. We found no substance to the allegation that Kathy Love abused her authority as President of FRTC. In addition, we found no credible evidence to support the allegation that she used the Student Activity Fund as her personal “slush fund.” The appearance of impropriety may have stemmed from the splitting of the Student Activity Fund into two separate accounts, one which was controlled by the Student Government Association and the other controlled solely by President Love. However, as of May 2007, the accounts were rejoined and the Student Government Association now votes on all Student Activity Fund expenditures, which mirrors the Department of Technical and Adult Education (DTAE) Student Activity Fund policy.

In addition, there was a rise in the use of the Student Activity Fund after President Love took control of the account. Based on the information reviewed, it appears that the increase in the use of the Student Activity Fund was due, in part, to FRTC’s need for school operation capital and DTAE’s broadly written policy, which allowed FRTC great latitude in the use of Student Activity Funds.

Although we found no misconduct, we would strongly encourage DTAE to consider an external audit of all technical college Student Activity Fund accounts, if economically feasible, in order to reduce the perception of any improprieties. Given that FRTC is in compliance with DTAE policies and procedures, specific recommendations are not required.



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SUMMARY OF ACTIONS
File Number 07-025
Department of Technical and Adult Education

I. BASIS FOR INVESTIGATION

On March 22, 2007, the Office of the Inspector General (OIG) received an anonymous complaint alleging incidents of mismanagement, improper conduct, waste and abuse of position by Kathy S. Love, President of Flint River Technical College (FRTC).

II. ACTION TAKEN IN FURTHERANCE OF INVESTIGATION

As part of our investigation, OIG reviewed Department of Technical and Adult Education (DTAE) and FRTC's policies and procedures, financial documents, purchase orders, emails, and official files. In addition, OIG interviewed former and present FRTC employees.

III. BACKGROUND

Flint River Technical College is a state funded technical institution located in Thomaston, Georgia. FRTC is one of 34 technical colleges supervised by DTAE and is under the policy and administrative control of the State Board of Technical and Adult Education. A local Board of Directors, composed of eight members and appointed by the State Board, governs FRTC.

Kathy S. Love is the current president of FRTC and has held this position since March 2002. Prior to serving as president, Love served as Vice President of Instruction and Student Services at Middle Georgia Technical College.

IV. FRTC INVESTIGATION

This section will address the allegations set forth in the original complaint.

Allegation one: President Love used FRTC housekeeping, maintenance and custodial employees to perform non-state duties by requiring them to deliver supplies and equipment and provide cleaning services under the "guise" of official state business for personal parties at her residence on state and non-state time without compensation.

Official Events

In order to verify the allegation, OIG interviewed numerous former and present FRTC housekeeping, custodial and maintenance employees. All employees interviewed denied the allegation that they were required to work at President Love's home during official events on state and non-state time without compensation. In addition, they also denied cleaning and performing personal maintenance on Love's home, but confirmed that they setup tables and chairs for an official function at Love's home during work hours. They added that they were not forced to work and claimed that they received compensatory

time for work on non-work days.¹ As part of our investigation, OIG interviewed the FRTC supervisor for housekeeping, custodial and maintenance personnel regarding the allegations. According to the supervisor, he could recall only one occasion when he was asked to set up tables and chairs while on state time for an official function at Love's home. He denied that his staff provided personal cleaning or home maintenance service for said function. However, he stated that his staff did provide general maintenance support for the annual barbeque in 2006.

President Love explained that she held official events at her home because Thomaston lacks a facility large enough to accommodate certain FRTC functions. Love feels that these functions are not only important to FTRC, but to the small Thomaston community as well.

Private Parties

Persons interviewed said they had no personal knowledge of President Love using state employees, supplies or equipment for private parties at her home. Love "categorically" denied using employees and state funds to pay for private parties at her home. Documents reviewed did not reveal any improper use of state funds.

Hospitality Committee

During our investigation we learned that there was a FRTC "Hospitality Committee" comprised of various administrative staff members who assisted with cleanup duties. When interviewed, the committee members stated that they volunteered to do "whatever was needed, including event preparation and cleanup" whenever FRTC hosted an official event because they "wanted to do their part in making FRTC the best technical college in Georgia." According to the committee members, they were never pressured to join the committee. In addition, they received compensatory time for their volunteer work performed beyond their regular work hours.

Based on the documents reviewed and interviews conducted, we are unable to substantiate the allegation that President Love used FRTC employees to perform non-state duties and provide cleaning services for personal parties at her residence on state and non-state time without compensation.

Allegation Two: FRTC President Love used state funds, students and employees at the FRTC Print Shop to print brochures supporting the passage of a Special Purpose Local Option Sales Tax (SPLOST) for the local Chamber of Commerce, and publications for the Boy Scouts without charge.

Our investigation revealed FRTC had a graphics and printing department that utilized a "live work program," which allowed compensation for the performance of outside projects.

¹ Many of the employees stated that they provided general maintenance, such as setting up tents and tables, for the annual barbeque and received comp time for their services.

In August 2004, FRTC agreed to design and print 5,000 copies of a SPLOST brochure for \$250 for the local Chamber of Commerce. Our investigation revealed that the printing instructor was displeased with the finished product and presented it to President Love, who made the executive decision not to charge the Chamber for the printing.

OIG also reviewed FRTC's general account ledger for the years 2005, 2006 and part of 2007. The records disapprove the allegation that President Love did not charge the Boy Scouts for the work done in the print shop. Furthermore, the documents revealed that the Print Shop provided services for other local business, Upson-Lee High School and FRTC Truck Driving Program and were paid.

Based on the documents reviewed and interviews conducted, we are unable to substantiate the allegation that President Love used state funds, students and employees to print SPLOST brochures for the local Chamber of Commerce or publications the Boy Scouts without charge.

Allegation Three: President Love used the Student Activity Fund (SAF) as her personal "slush" fund.

FRTC students are assessed a \$16 student activity fee during registration. The money is placed into a Student Activity Fund (SAF) account and is allocated to support approved student activities. DTAE's SAF policy provides that the purpose of the SAF is as follows.

"The Student Activity Fund is established for the sole purpose of providing resources for student-sponsored and endorsed activities. Students enrolled solely in courses offered on-line may not be charged a student activity fee."

The policy further requires the establishment of a council or committee to govern and administer the SAF account and is specific as to the requirements for the appointment of committee members, organization of the committee, required meetings and minutes, and how SAF funds are to be used.

DTAE's SAF policy specifically states,

"The Student Activity Fund Committee shall approve any expenditure from the Student Activity Fund." Further, "it is the intent of the department that these funds are used for the benefit of students, and to a limited extent, the enhancement of the institution, and thus the students, as determined by the Student Activity Fund Committee."

The OIG investigation revealed that in 1994, FRTC, which was then known as Flint River Technical Institute, was experiencing financial problems. Students completing their course of study refused to attend graduation because they could not afford the graduation costs. Thus, the Flint River Technical Institute local Board of Directors met and passed a resolution providing for "a new project to be added to the SAF to be used

towards expenses for graduation and other small expenses in connection with facility improvements for students.” Although the Flint River Technical Institute Student Government Association minutes are not available for that time, persons interviewed said the Student Government Association voted on and passed the resolution. As a result, the SAF account was split 50/50. One-half of the account was designated for the Student Government Association, and the other 50 percent of the account was designated as the “Graduation Account.” However, no documents provided or information gathered mentioned any abatement of the Student Government Association’s responsibility for voting on all expenditures. DTAE policy does not provide for the splitting of SAF accounts, and according to DTAE, the practice of splitting the SAF account is not done by other state technical schools.

When Kathy Love became FRTC President in March 2002, she took control of the Graduation Account and renamed it the Flint River Technical College Control Account (Control Account).

The OIG investigation revealed that after Kathy Love acquired control of the Control Account, use of the account increased. Records reflect that on April 26, 2006, FRTC approved a local SAF policy, expanding FRTC’s use of the SAF. The Control Account portion of the SAF was used to pay the salaries of FRTC security personnel, refreshments for local and state meetings, and other items President Love deemed beneficial to the students and FRTC. OIG reviewed Student Government Association SAF minutes provided by FRTC, and it appears that the Student Government Association voted on all matters concerning their 50 percent of the SAF account. However, they had little say regarding how money from the Control Account was spent.

OIG interviewed FRTC’s Vice President of Administrative Services Wayne K. Sandefur concerning the SAF. Sandefur stated that he is responsible for the day-to-day operation of FRTC administrative functions, which includes the Business Office and, specifically, the accounting section. Sandefur stated that 50 percent of the Control Account was kept separately, and the funds were earmarked for the President’s discretion. When asked if the SAF is externally audited, he said, “No,” and added that occasionally, by “default,” the Georgia Department of Audits and Accounts may do a cursory look, because of their responsibility to audit surplus. Sandefur provided us with purchase orders and other accounting documentation concerning this account. A review of the documentation did not reveal any improper expenditures, and all purchases appeared to be for the benefit of the students and college.

Michael Sorrells, DTAE’s Director of Human Resources, was contacted to discuss DTAE’s SAF policy verses FRTC use of the SAF. According to Director Sorrells, technical colleges are encouraged to establish a local SAF policy, but should ensure that the local policy does not violate the intent of the broadly written state policy. When asked if technical colleges are required to obtain approval from DTAE to change their local SAF policy, Sorrells responded that they are not. In addition, Director Sorrells said President Love has the authority to obligate SAF funds for campus security and other functions she deems in the best interest of the students and college. According to Director Sorrells, student activity fees are not externally audited.

OIG interviewed members of the FRTC staff, and requested and received numerous FRTC emails concerning SAF which were dated from around May 2005 to 2007. Our review of the emails disclosed that President Love was concerned about the continued split of SAF. In addition, the emails showed that President Love requested her staff's input and assistance in developing a plan to consolidate the two accounts and establish a yearly budget for the Student Government Association to consider, which DTAE policy allows. According to President Love, this procedural change would allow FRTC to budget its money. However, before President Love could finish this task, she received a temporary transfer to another technical college in need of her assistance.

In May of 2007, President Love merged the FRTC Control Account into the Student Government Association account with no explanation. The administrative staff we interviewed was not clear as to how disbursements of the funds would be setup.

Based on the documents reviewed and interviews conducted, we are unable to substantiate the allegation that President Kathy Love used student activity fees as her "slush" fund.

Allegation Four: Each year Kathy Love sponsors a state funded "political" barbeque (BBQ).

The complainant(s) intimated that President Love used state funds to sponsor a political event. To determine the validity of the allegation, OIG conducted interviews and reviewed financial documents obtained from FRTC.

Annual Business and Community Appreciation Day (BBQ)

The BBQ is a yearly function hosted by FRTC to promote fellowship with the Thomaston community and local businesses. The function is attended by FRTC staff, FRTC Foundation members, local business owners, public school officials and various other community leaders.

OIG investigated the funding of the annual event. An examination of financial documents provided by FRTC revealed the event was funded by the FRTC Foundation and no state monies were used. FRTC employees interviewed stated that, to their knowledge, the FRTC Foundation funded the BBQ and that FRTC has always been a sponsor of this event, even before President Love arrived.

OIG reviewed the event's invitation and acceptance list. While it is true that the list included local, state and federal politicians, a closer examination reveals that the majority of the persons invited were educators, business owners, and persons that may assist FRTC students in obtaining future employment.

Based on the documents reviewed and interviews conducted, we are unable to substantiate the allegation that President Love sponsored the yearly event for "political" purposes or that state funds were used.

V. CONCLUSION

In the course of our investigation, we conducted numerous interviews and reviewed various financial documents. However, we found no substance to the allegation that Love abused her authority as President of FRTC. In addition, we found no credible evidence to support the allegation that she used the SAF as her personal “slush fund.” However, the appearance of impropriety may have stemmed from the splitting of the SAF into two separate accounts. Although we found no misconduct, we would strongly encourage DTAE to consider an external audit of all technical college SAF accounts, if economically feasible, in order to reduce the perception of any improprieties.

VI. RECOMMENDATIONS

Given that FRTC is in compliance with DTAE policies and procedures, specific recommendations are not required.