



Office of the Washington State Auditor
Pat McCarthy

Fraud Investigation Report

Spokane Regional Emergency Communications

(SREC)

For the investigation period January 1, 2024 through April 23, 2025

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**Office of the Washington State Auditor
Pat McCarthy**

December 11, 2025

Board of Directors
SREC
Spokane, Washington

Report on Fraud Investigation

Attached is the official report on a misappropriation at Spokane Regional Emergency Communications (SREC). On April 23, 2025, the Authority notified the Office of the Washington State Auditor of a potential loss of public funds. This notification was submitted to us under the provisions of state law (RCW 43.09.185).

Our investigation was performed under the authority of state law (RCW 43.09.260) and included procedures we considered necessary under the circumstances.

If you are a member of the media and have questions about this report, please contact Assistant Director of Communications Adam Wilson at (564) 999-0799. Otherwise, please contact Special Investigations Program Manager Stephanie Sullivan at (360) 688-0858.

Pat McCarthy, State Auditor
Olympia, WA

cc: Tim Henry, Finance Manager

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FRAUD INVESTIGATION REPORT

Background and Investigation Results

On April 23, 2025, the Authority notified our Office regarding a potential loss of public funds, as required by state law (RCW 43.09.185). On April 7, 2025, a dispatch department employee reported a concern to human resources that a Communications Supervisor both logged and received payment for overtime hours he did not work.

The Authority opened an investigation and reviewed the Communications Supervisor's timecards from January 1, 2024, through April 23, 2025. The Authority considered several factors to analyze what hours the Communications Supervisor legitimately worked, including logins to the dispatch system, logins to the phone system and the door code used to enter the building. The Authority also reviewed other communications supervisors' timecards to gauge whether they were also overpaid and determined they were not.

The Authority's investigation found 33 instances where the Communications Supervisor submitted timesheets with overtime he had not worked, which amounted to 102.5 overtime hours paid. The Authority determined a payroll misappropriation totaling \$8,768.68 occurred between March 26, 2024, and April 1, 2025.

The Authority interviewed the Communications Supervisor on April 8, 2025, and again on April 16, 2025, with a union representative. In response to the Authority's concerns, the Communications Supervisor said that he thought he had fixed his timecard on days when he had left early but confirmed he did not work during the instances the Authority presented during the interviews.

The Communications Supervisor resigned from employment with the Authority on April 23, 2025, and signed a separation agreement allowing the Authority to deduct \$8,768.68 from his final paycheck.

We reviewed the Authority's investigation and agree with its conclusions.

Control Weaknesses

Internal controls at the Authority were not adequate to safeguard public resources. The Authority's investigation found the misappropriation occurred due to a lack of adequate oversight and review of the Communications Supervisor's activities; specifically, overtime recorded on timecard submissions and inadequate supervisor review of timecards.

Recommendations

We recommend the Authority evaluate and strengthen its internal controls over timekeeping. This would include establishing upper-management oversight and review of supervisors' approved work schedules, timecard submissions and overtime reporting.

We will refer this case to the Spokane County Prosecuting Attorney's Office for any further action it determines is necessary.

We also recommend the Authority seek recovery of the related investigation costs of \$9,099 from the former Communications Supervisor and/or its insurance bonding company, as appropriate. Any compromise or settlement of this claim by the Authority must be approved in writing by the Attorney General and State Auditor as directed by state law (RCW 43.09.260). Assistant Attorney General Matt Kernutt is the contact person for the Attorney General's Office and can be reached at (360) 586-0740 or Matthew.Kernutt@atg.wa.gov. The contact for the Office of the Washington State Auditor is Brandi Pritchard, Assistant Director of Special Investigations, who can be reached at (509) 726-1886 or Brandi.Pritchard@sao.wa.gov.

Authority's Response

Spokane Regional Emergency Communications accepts the findings and will adopt the recommendations of the fraud investigation and will work with its legal counsel to seek recovery of the investigation costs incurred.

Auditor's Remarks

We thank Authority officials and personnel for their assistance and cooperation during the investigation. We will follow up on the Authority's internal controls during the next audit.

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In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

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