

STATE OF NEBRASKA
ATTESTATION REVIEW
OF THE
ASIAN COMMUNITY AND CULTURAL CENTER
JULY 1, 2007 THROUGH JUNE 30, 2010

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Issued on November 1, 2010

ASIAN COMMUNITY AND CULTURAL CENTER
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Independent Accountant's Report

Citizens of the State of Nebraska:

We have reviewed the financial activity of the Asian Community and Cultural Center for the period July 1, 2007, through June 30, 2010. The Asian Community and Cultural Center's management is responsible for the financial activity. We did not obtain a written assertion regarding such matters from management.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the financial activity. Accordingly, we do not express such an opinion.

Based on our review, the items noted in the Summary of Results section of the report came to our attention that caused us to believe that the financial activity was not presented, in all material respects, in conformity with the criteria set forth in the Criteria section.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Asian Community and Cultural Center's financial activity and any fraud and illegal acts that are more than inconsequential that come to our attention during our review. We are also required to obtain the views of management on those matters. We did not perform our review for the purpose of expressing an opinion on the internal control over the Asian Community and Cultural Center's financial activity or on compliance and other matters; accordingly, we express no such opinions.

Our review disclosed certain findings that are required to be reported under *Government Auditing Standards* and certain other matters. Those findings, along with the views of management and the identification of material weaknesses and significant deficiencies, are described below in the Summary of Results. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the subject matter will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This report is intended solely for the information and use of the Citizens of the State of Nebraska, management of the Asian Community and Cultural Center, others within the Asian Community and Cultural Center, and the appropriate Federal and regulatory agencies. Although it should not be used by anyone other than these specified parties, this report is a matter of public record, and its distribution is not limited.

Signed Original on File

Mike Foley
Auditor of Public Accounts

Mary Avery
Special Audits and Finance Manager

November 1, 2010

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Background

The Asian Community and Cultural Center (ACCC) was founded in 1994 and is supported through grants and donations from both individuals and organizations and through Federal, State, and local funding sources. The ACCC is an independent non-profit, 501(c)(3) organization, whose mission is “To support and empower Asian people while sharing our cultures with the entire community through our programs and services.” The ACCC is governed by a Board of Directors (BOD). The Auditor of Public Accounts (APA) identified the following key staff during our review of the ACCC:

- Robert Suarez – Board President
- An Sampson – Board Treasurer
- Modesta Putla – Executive Director (January 2004 – January 2010)
- Maureen Brase-Houchin – Interim Executive Director
- Jason Varga – Associate Director

In August 2009, the Board President began an annual performance evaluation of the Executive Director. According to the Board President, he was unable to locate prior documented evaluations, and the Executive Director refused to give him access to her personnel file. During the performance evaluation, it was determined the Executive Director had full control and authority over all the ACCC finances. Several financial irregularities were noted that caused the Board President to send a letter, in December 2009, to the ACCC BOD highlighting the irregularities related to the Executive Director’s activities. **See Exhibit A.** The irregularities included, but were not limited to, unauthorized salary increases, excessive mileage reimbursements, unauthorized vacation payouts, and significant payments to The Peacock Indian Cuisine, Inc. (The Peacock). The Peacock is a private restaurant entity owned by the Executive Director and Samuel Rajakumar, her husband. An emergency BOD executive committee meeting was held to discuss the issues. On January 6, 2010, the Executive Director was permitted to resign pending BOD action in response to the Board President’s December 2009 letter.

Following an emergency meeting, the BOD consulted with its accounting firm and, in the months that followed, the BOD met many more times. The BOD directed its accounting firm to review the ACCC accounting procedures and to obtain documentation to support an internal investigation of the allegations contained in the December 2009 letter. The BOD also consulted with the ACCC’s private auditor, later determining the auditor had failed to conduct previous audits in the manner anticipated. The BOD considered hiring a private firm to conduct a forensic audit; however, it was decided the ACCC could not afford a full forensic audit by a private accounting firm. The BOD retained counsel and requested assistance from the Lincoln Police Department (LPD), meeting with an LPD investigator on three separate occasions. At the conclusion of those meetings, the ACCC was informed the LPD does not conduct audits, and it was suggested the ACCC contact the Lancaster County Attorney’s office for further assistance. The BOD then contacted the Lancaster County Board of Commissioners and the APA for help in determining the extent of any suspected fraud. During this period, the BOD also revised the ACCC procedures to limit the authority of the Executive Director and tighten the BOD’s oversight over the ACCC finances.

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On May 13, 2010, the Board President requested that the Lancaster County Board of Commissioners ask the APA to perform a review of the financial activity of the ACCC for the past three years. On June 15, 2010, the Lancaster County Board sent a letter asking the APA to perform an attestation review of the books of the ACCC. The APA agreed to perform an attestation review for the period July 1, 2007, through June 30, 2010. The APA held an entrance meeting with the ACCC Board President, Treasurer, and Interim Executive Director on July 9, 2010.

During the three-year period tested, in addition to grants, the ACCC received money from private donors, as well as fees for the various programs and resources the center provided to or sponsored for the community, such as youth and senior programs, language classes, and educational and community events. Money was received at the ACCC by walk-ins, mail, and through a PayPal account set up for online donations. The ACCC employees were to complete a pre-numbered, carbon-copied receipt for all money received. One copy was given to the payer and one was attached to the deposit. The mail was opened daily and incoming money was recorded in an Access database documenting the date received, sender, receiver, type of payment, and amount. The daily cash and checks received were given to the Executive Director for coding in the accounting system and to create the deposit. The Executive Director would then make the deposit at the bank.

The ACCC contracted with HBE Becker Meyer Love LLP (HBE) to provide limited accounting functions. HBE utilized QuickBooks software for the accounting of the ACCC. HBE recorded the ACCC's daily transactions, which included, but was not limited to, issuing checks, recording deposits, and reconciling the bank activity. All accounting documentation was submitted by the ACCC's Executive Director to HBE to be recorded in the system. For the issuance of checks, the ACCC's Executive Director submitted check request forms to HBE every two weeks (see **Exhibit D** for an example of a check request form) and HBE would print the checks and send them back to the ACCC's Executive Director to sign and mail. Checks over \$500 were required to be signed by two ACCC representatives.

The ACCC was last audited by Dana F. Cole & Company, LLP for calendar years 2007 and 2008; no findings were noted in the resulting audit report. Due to the failure of Dana F. Cole & Company, LLP to advise the BOD of the ACCC's problematic accounting procedures, the BOD decided to terminate its relationship with that auditing firm; hence, no audit was performed in 2009.

The bank activity for the ACCC business checking account was summarized and evaluated by the APA. The following is a brief summary of the activity and balances for the period July 1, 2007, through June 30, 2010:

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Time Period	Deposits/Credits	Withdrawals/ Debits	Period Ending Bank Balances
July 2007 through December 2007	\$ 241,784.64	\$ 229,651.18	\$ 34,458.70
January 2008 through December 2008	\$ 379,594.04	\$ 361,662.28	\$ 52,390.46
January 2009 through December 2009	\$ 379,196.04	\$ 388,700.05	\$ 42,886.45
January 2010 through June 2010	\$ 149,705.62	\$ 162,857.21	\$ 29,734.86
Total Bank Activity for Period	\$ 1,150,280.34	\$ 1,142,870.72	

The ACCC had additional bank accounts related to savings and certificates of deposit. The balances of those accounts at June 30, 2010, were as follows:

Bank	Ending Balance on June 2010 Statement
West Gate Bank CD	\$ 11,223.07
Cornhusker Bank CD	\$ 15,329.05
Union Bank Savings Account	\$ 4,848.45

Criteria

The criteria used in this attestation review were Federal regulations, the ACCC Employee Handbook, good internal controls, and good business practices.

Summary of Procedures

Pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2008), the APA conducted an attestation review of the ACCC's financial activity for July 1, 2007, through June 30, 2010, in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The APA's attestation review consisted of the following procedures:

- Obtained and documented an understanding of the ACCC's operations.
- Obtained the ACCC's bank statements and a copy of the QuickBooks file from HBE for July 1, 2007, through June 30, 2010.
 - Reconciled the QuickBooks financial records to the bank statements.
 - Analyzed the bank statements for any discrepancies.

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- Accumulated and summarized all payments, including expense reimbursements, made to the Executive Director.
- Tested receipts received by the ACCC, as recorded on the Access database, and traced to the deposits within the bank statements.
- Tested payments made from the ACCC, including check and credit card payments.
- Summarized all payments to related parties, including The Peacock.
- Obtained grant agreements for the period tested and summarized all questioned costs related to Federal grants received.
- Referred information documenting alleged fraudulent payments to the Nebraska Attorney General's office, as advised by the Lancaster County Attorney's office.
- An exit conference was held on October 19, 2010, to discuss the results of this attestation review. Those in attendance from the ACCC were:
 - Robert Suarez, Board President
 - Andrew Wedeman, Board Vice President
 - Maureen Brase-Houchin, Interim Executive Director

Summary of Results

The summary of our attestation review noted the following findings and recommendations:

1. Alleged Fraudulent Payments

The APA was requested to look into financial irregularities at the ACCC for the period July 1, 2007, through June 30, 2010. At the request of the APA, the ACCC provided all bank statements and supporting documentation for the period under review. The APA accumulated \$15,599 in transactions, which appear to have been fraudulent. A brief summary is noted below:

Alleged Fraudulent Payments	Amount
Payments Related to Payroll for the Executive Director	\$ 10,630.84
Expense Reimbursement Payments to the Executive Director	\$ 2,676.36
Payments to Vendors	\$ 2,292.25
Total Alleged Fraud	\$ 15,599.45

Payments Related to Payroll for the Executive Director

- The APA noted three payroll-related payments, totalling \$10,257.84, made to the Executive Director that were neither authorized in accordance with the ACCC's Employee Handbook nor supported by adequate documentation. Two payments were for vacation payouts, and one was a retroactive payment for a 4% pay increase. These appear to be fraudulent payments.

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- On November 25, 2009, the Executive Director requested a check, payable to her, for the payout of four weeks of vacation. A similar request for four weeks of vacation was also made during 2008. According to the ACCC's Employee Handbook, pay-in-lieu of vacation is only allowed when an employee is laid off, discharged, or resigns with due notice. Additionally, the Employee Handbook states vacation accruals are not cumulative from year to year. **See Exhibit D.** The Executive Director would not have had four weeks of unused vacation in either 2008 or 2009, as she would only have earned 15 days during 2008 and 16 days during 2009. The ACCC did not have procedures in place to track accruals and usage of vacation or sick leave to ensure individuals had leave available for use.
 - On November 13, 2009, the Executive Director sent an email to HBE, stating she was to receive a 4% raise starting in August 2009, and would like a retroactive check for that amount. However, according to both the documented performance evaluation and discussions with the Board President, the Executive Director was not authorized to receive a raise in 2009.
 - See **Exhibit E** for copies of emails sent to HBE.
- As noted above, on November 13, 2009, the Executive Director requested a retroactive payment for a 4% raise that had not been authorized by the BOD. There were four pay checks between November 2009, when the payment for retroactive pay occurred, and her resignation in January 2010. The 4% raise increased her gross pay by \$93.25 each period, resulting in an unauthorized raise and alleged fraudulent payment for four pay periods in the amount of \$373.

The alleged fraudulent payments regarding payroll are summarized below:

Check Date	Check #	Name	Memo	Amount*	Explanation
10/29/2008	6202	Putla, Modesta A.	4 weeks vacation pay	\$ 4,662.30	Payout of four weeks unused vacation for 2008.
11/13/2009	7021	Putla, Modesta A.		\$ 746.00	Payout of four percent retroactive increase from August 2009 through November 2009.
11/25/2009	7052	Putla, Modesta A.	4 weeks vacation pay	\$ 4,849.54	Payout of four weeks unused vacation for 2009.
11/27/2009	7035	Putla, Modesta A.		\$ 93.25	Only the 4% portion is wrong, entire gross pay on check was \$2,424.40.
12/11/2009	7063	Putla, Modesta A.		\$ 93.25	Only the 4% portion is wrong, entire gross pay on check was \$2,424.40.
12/25/2009	7085	Putla, Modesta A.		\$ 93.25	Only the 4% portion is wrong, entire gross pay on check was \$2,424.40.
1/08/2010	7111	Putla, Modesta A.		\$ 93.25	Only the 4% portion is wrong, entire gross pay on check was \$2,424.40.
			Total	\$ 10,630.84	

Note *: These are gross amounts prior to withholdings.

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Expense Reimbursement Payments to the Executive Director

The APA noted several expense reimbursements to the Executive Director for which no supporting documentation was attached and, therefore, appear to have been improper and possibly fraudulent. Several of the reimbursements were for staff mileage; however, no documentation was on file to support those expenses. The Board President and Board Treasurer told the APA that the Executive Director did not drive and did not even have a driver's license. However, the Executive Director had a valid Nebraska driver's license, which was issued on September 14, 2009, and the Nebraska Department of Motor Vehicles (DMV) indicated the Executive Director had a previous Louisiana driver's license issued March 15, 2004. According to the ACCC staff and DMV, the Executive Director and her family had only one vehicle.

- The APA noted \$2,143.69 for mileage reimbursements that had no documentary support. Moreover, the mileage claimed appears excessive. The Executive Director was claiming reimbursement for mileage driven; however, according to both the Board President and Board Treasurer, she did not drive. The reimbursements lacked documentation for the vehicle used, location to and from, or any other information to support the mileage or reimbursement and, as a result, appear fraudulent. **See Exhibit C.**
- The APA also noted a reimbursement of \$532.67 for the purchase of special order window coverings from JCPenney. The ACCC did not have the window coverings during our review. ACCC staff contacted JCPenney during our review and determined the window coverings were actually shipped to the address of The Peacock. This appears to be a fraudulent reimbursement. **See Exhibit C.**
- The total of the questioned reimbursements identified above is \$2,676.36. See **Exhibit C** for itemized information and details.

Payments to Vendors

The APA noted 11 allegedly fraudulent ACCC payments, totalling \$2,292.25, to vendors made by the Executive Director for personal use. Several of the check requests did not have supporting documentation attached; therefore, the APA and the ACCC staff requested details from the vendors. The following allegedly fraudulent payments were noted during testing.

- One check request for \$250 to Williamson Honda noted the payment was for client assistance with car repairs. It was paid by ACCC through a Building Strong Families grant; however, there was no support attached to the payment. The ACCC staff obtained supporting information for the payment directly from Williamson Honda. The invoice was for repairs to a 2003 Honda Accord owned by Samuel Rajakumar and the Executive Director. The check for \$250 only covered a portion of the total invoice.
- One payment for \$210.95 to a local clinic was for expenses related to the Executive Director's family. The invoice attached to the check request had the billing name and patient removed; however, the APA contacted the vendor and obtained an original copy of the invoice billable to Samuel Rajakumar with the Executive Director's home address. See **Exhibit D** for a copy of the manipulated invoice.
- Further payments of a similar nature were noted during testing, such as payments to Lincoln Electric System for the Executive Director's home residence utilities and payments for a cell phone owned by the Executive Director's husband.
- See **Exhibit B** for a summary of all related payments.

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Based on the lack of controls over the ACCC's financial records and activities, the APA believes that additional suspect expenses are likely. The Executive Director had complete control of all financial activities, including receiving monies due to the ACCC. As a result, we consider this finding to be a material weakness.

We recommend the ACCC implement policies and procedures to ensure adequate controls are put in place to prevent future suspect accounting activity. The controls should include a separate independent review of all payments made from the ACCC to ensure such payments are properly supported and reasonable. The BOD should approve all payments made on behalf of the ACCC. This information was referred to the Nebraska Attorney General's office for any action deemed appropriate.

2. Lack of Adequate Internal Controls and Written Policies and Procedures

Good internal controls require a proper segregation of duties to ensure no one individual is in the position both to perpetrate and to conceal errors or irregularities. Adequate internal controls include monitoring by the BOD and other individuals within the ACCC to ensure policies and procedures are functioning as intended.

The ACCC lacked adequate controls for incoming revenues and outgoing expenses, as follows:

- The Executive Director had complete control over the ACCC's finances, including the depositing of incoming money, requesting and authorizing expenditures, such as vendor payments, salary increases, vacation payouts, and serving as the sole contact with the ACCC's accountants. The BOD did not properly monitor the activities performed by the Executive Director or other ACCC employees. The BOD was provided with a monthly overview of the budget position of the ACCC; however, it did not require the Executive Director to provide a detailed listing of the ACCC's expenditures. The BOD had established no formal policies or procedures for governing the ACCC, with the exception of the largely inadequate Employee Handbook.
- The Executive Director and/or the Associate Director were the main check signors and authorized signatories for checks. The Associate Director informed the APA that he would sign checks the Executive Director asked him to sign without any direct knowledge of why the payment was being made. The APA noted instances of both the Executive Director and the Associate Director signing their own reimbursement checks under \$500. Furthermore, it appears the ACCC was creating invoices on behalf of individuals they were paying. Three invoices, all dated August 22, 2008, were in the same format, with only the payee name and description being different.
- According to the ACCC staff, a receipt for incoming money was not always issued, and a listing of the receipt numbers was not maintained to account properly for all monies received. If a receipt was voided, it was not maintained; therefore, there was no way to verify all monies received were deposited. Receipts were not sequential. Additionally, the ACCC staff maintained an Access database of incoming money received; however, it

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was not always completed for the daily receipts, and there were no procedures established for a separate individual to compare the database and the receipt booklet to the deposit made at the bank to ensure all monies received were properly deposited.

- The ACCC also had an online PayPal account through which individuals could electronically remit donations to the entity. The money received in the PayPal account had to be periodically transferred to the ACCC's business account. The Executive Director and Associate Director were the only individuals with access to the account, and there were no restrictions on the transfers out of the account. Therefore, it was necessary to have procedures for an independent review of the account to ensure all money received was properly transferred to the ACCC's bank account. There were no improper transfers noted during the period tested. However, we noted money was not transferred from the PayPal account to the ACCC's account timely. The first PayPal account deposit was in April 2008; however, the first transfer was not made to the ACCC's account until May 15, 2009, for \$500. A second transfer was made on June 3, 2009, for \$256.84, and the last transfer out of the account was performed on June 8, 2010, for \$884.53.
- There was a lack of controls over the fixed assets of the ACCC. The APA obtained a current listing of the ACCC's fixed assets; however, items recently purchased by the ACCC were not on the listing. The APA noted a projector purchased on August 24, 2008, for \$1,264.89 and a DVD player purchased on September 30, 2008, for \$320.99 were not on the asset listing. Furthermore, three decorative wall hangings noted on the listing were not at the ACCC. According to the ACCC staff, the Executive Director took the wall hangings after she resigned; the ACCC staff were unsure whether the Executive Director had personally paid for the items.
- The ACCC purchased gift cards to give to speakers at sponsored events. According to staff, gift cards were kept by the employee who purchased them until distributed to the recipients. The ACCC employees kept little, if any, record of who received the cards. In addition, there are no policies regarding when gift cards should be purchased or who is eligible to receive them.

Without adequate internal controls and written policies and procedures to ensure ACCC funds are properly accounted for, there is a significant risk for fraud or errors to occur and remain undetected. When receipts are not recorded properly, and one individual is able to perform all processes of a transaction, there is a significant risk for loss or misuse of funds. We consider this finding to be a material weakness.

We recommend the ACCC implement policies and procedures to strengthen the internal controls of the entity to ensure that no one individual is in the position both to perpetrate and to conceal errors or irregularities. The BOD should take an active role in the daily operations of the ACCC, including the review of detailed payments. Furthermore, we recommend the following:

- Individuals authorizing payments should ensure all the ACCC expenditures are both properly supported and reasonable. Additionally, employees should not be authorized to approve their own reimbursements.

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- A listing of all money received and receipts issued should be maintained and reconciled to the deposit to ensure all money received is properly deposited. The reconciliation should be completed by someone other than the individuals opening the mail and completing the deposit slip.
- The ACCC's PayPal account should be reviewed periodically by someone other than those authorized to make transfers, thereby ensuring that money received was properly transferred to the ACCC's business account. Furthermore, transfers to the ACCC's account should be performed monthly.
- The ACCC should maintain adequate documentation of assets purchased and periodically ensure assets are on hand.
- The ACCC should implement policies and procedures regarding the purchase, possession, and distribution of gift cards, including a signed document stating the recipient received the gift card distributed.

3. Questionable Expenses of the ACCC

The APA tested several transactions related to staff expense reimbursements, payments made with the ACCC's business credit card, and payments to vendors for the period July 1, 2007, through June 30, 2010. A significant number of expenses had little or no documentation to support the payment.

The following findings were noted during testing:

- For 15 of 22 payments tested, the expense did not appear reasonable, or there was no documentation to support the payment. This totalled \$12,617.65.
 - One of the payments tested was to the Associate Director for reimbursement of technical and event supplies. The \$2,000 check was paid on August 20, 2008; however, all expenses related to the reimbursement were dated after August 20, and all of the receipts remitted totalled only \$1,985.64. According to the ACCC staff, check requests took approximately two weeks to process; therefore, the ACCC would issue checks to employees in advance.
 - See **Exhibit F** for details on the findings noted.
- In addition to the allegedly fraudulent expense reimbursements made to the Executive Director, as noted in **Comment Number 1**, the APA tested an additional 21 reimbursements, totalling \$4,228.01. These all appear to entail some unreasonable and unnecessary reimbursements, and they all lacked adequate supporting documentation. See **Exhibit F** for details on the findings noted. The expense reimbursements included cab rides, meals, travel expenses, and supplies.
- During testing of the payments made with the ACCC's credit cards and debit cards, we noted 5 of 12 payments tested did not appear reasonable and necessary. They totalled \$948.00.

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- One payment, for the purchase of gas gift cards totalling \$150, did not have documentation to support the recipients of the cards. At the time of our fieldwork, the staff of the ACCC did not recall having or distributing gas gift cards; however, some gas gift cards have been subsequently located.
- One payment tested was for the purchase of a charcoal grill and accessories for \$68 from Lowe’s in August 2007, for an event held by the ACCC. According to the Associate Director, the grill was located at his house; however, he said it was old and in bad shape.
- See **Exhibit F** for details on the findings noted.

When adequate supporting documentation is not on file, there is a significant risk for the loss or misuse of ACCC funds. We consider this finding to be a significant deficiency.

We recommend the ACCC implement policies and procedures to strengthen the internal controls of the entity to ensure that no one individual is in the position both to perpetrate and to conceal errors or irregularities. The Board should take an active role in the daily operations of the ACCC, including the review of detailed payments.

Furthermore, we recommend the ACCC:

- Ensure adequate documentation is on file for all payments. This would include itemized receipts and invoices.
- Ensure staff expense reimbursement payments are not made in advance of the actual expense.
- Ensure all credit card or debit card purchases are appropriate, and the purchased equipment is onsite and available to the ACCC.

4. Executive Director’s Salary Increases

As noted in **Comment Number 1**, the Executive Director requested and approved her own vacation payouts in 2008 and 2009, as well as a salary increase of 4% during 2009. The Executive Director was hired in January 2004 and when asked by the Board President for her personnel file, refused to give him access. There was no documentation to support the subsequent salary increases occurring after the hire date. The following chart details the increases in the Executive Director’s salary from 2004 through 2009.

Pay Check Start Date	Pay Check End Date	Bi-Weekly Salary Amount	Amount of Increase	% Increase	Calculated Annual Pay*
1/22/2004	10/21/2004	\$ 1,653.85	\$ -	-%	\$ 43,000.10
11/3/2004	4/21/2005	\$ 1,730.77	\$ 76.92	4.65%	\$ 45,000.02
5/5/2005	11/2/2005	\$ 1,972.30	\$ 241.53	13.96%	\$ 51,279.80
11/16/2005	10/20/2006	\$ 2,070.92	\$ 98.62	5.00%	\$ 53,843.92

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Pay Check Start Date	Pay Check End Date	Bi-Weekly Salary Amount	Amount of Increase	% Increase	Calculated Annual Pay*
11/3/2006	9/7/2007	\$ 2,164.11	\$ 93.19	4.50%	\$ 56,266.86
9/21/2007	9/5/2008	\$ 2,230.77	\$ 66.66	3.08%	\$ 58,000.02
9/19/2008	11/13/2009	\$ 2,331.15	\$ 100.38	4.50%	\$ 60,609.90
11/27/2009	1/8/2010	\$ 2,424.40	\$ 93.25	4.00%	\$ 63,034.40

Note *: The calculated annual pay does not include additional benefits and was calculated by the APA by multiplying the bi-weekly salary amount by 26 bi-weekly pay checks during a year.

Without written policies and procedures and good internal controls to ensure payments are proper, there is an increased risk payments will not be reasonable and authorized. This increases the risk of misuse of funds.

We recommend the ACCC implement policies and procedures to ensure all staff salary increases are authorized, reasonable, and properly documented. Personnel files should also be maintained for all employees.

5. Possible Related Party Payments To The Peacock

During testing, the APA noted 25 payments for meals provided to the ACCC by The Peacock totalling \$3,646.71. The Executive Director and her husband own The Peacock restaurant in Lincoln, Nebraska. The BOD assumed incorrectly that the meals were being provided by the Executive Director to promote The Peacock and the ACCC was not being charged for them. The check requests indicated the payments were for BOD meetings, staff luncheons, and events. However, in most cases, there was either no supporting documentation, or the receipt attached to the check request was a non-itemized credit card receipt. Furthermore, 18 of the receipts on file noted the servers were the Executive Director, her husband, or their son. Several receipts indicated the service was for take-out; however, a tip was given to the server.

The following is a summary of the payments and tips by server, as noted on the receipts on file at the ACCC:

Server (Per Receipt)	# of Receipts	Total Tip Amount	Total Payment
Employee	1	\$ 0.00	\$ 481.50
Executive Director	11	\$ 76.56	\$ 1,524.54
Spouse	5	\$ 52.51	\$ 482.31
Son	2	\$ 20.20	\$ 416.10
Unknown	6	\$ 20.00	\$ 742.26
Total	25	\$ 169.27	\$ 3,646.71

See **Exhibit G** for a full listing of payments to The Peacock. The ACCC payments to The Peacock raise serious questions about the possibility of conflict of interest and related party transactions, which could lead to misuse of funds.

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We recommend the ACCC implement policies and procedures regarding related party transactions to ensure there are no issues regarding conflict of interest. We also recommend the ACCC ensure adequate documentation is on file supporting all payments made by the ACCC. The BOD should evaluate the frequency, necessity, and reasonableness of staff and BOD lunches and meals paid for by the ACCC.

6. Other Possible Related Party Transactions

The APA noted ten payments, totalling \$3,816, which appeared to be related party transactions in connection with the Associate Director of the ACCC. The payments were made to 1) Asari, Inc., a web development company in Lincoln, Nebraska, co-owned by the Associate Director; 2) the co-owner of Asari, Inc.; and 3) a personal friend of the Associate Director.

While the payments may have a legitimate business purpose for the ACCC, good business practice requires policies and procedures to be in place to ensure there are no related party transactions associated with expenses of the ACCC and that the ACCC receives the best service for the price.

The transactions were as follows:

Payment Type	Date	Check Number	Payee *	Memo	Account Coding Class	Amount
Check	08/20/2008	6029	Asari	Business cards	14 - Ethnic Grant	\$ 42.17
Check	04/03/2009	6505	Asari	Postcards for fundraiser	01 - ACCC Operating	\$ 69.39
Check	06/12/2009	6674	Asari	New Americans Task Force (NATF) website	01 - ACCC Operating	\$ 38.00
Check	11/13/2009	6999	Asari	Asari fee to change website of NATF	01 - ACCC Operating	\$ 207.00
Check	04/02/2010	7263	Asari	Annual hosting & domain fee	01 - ACCC Operating	\$ 58.95
Check	12/14/2007	5526	Asari co-owner	Website coding for Fusion	14 - Ethnic Grant	\$ 200.00
Check	08/20/2007	5266	Personal Friend	Design of Cultural Guide	14 - Ethnic Grant	\$ 2,000.00
Check	09/07/2007	5302	Personal Friend	Design For File creator	14 - Ethnic Grant	\$ 300.00
Check	05/30/2008	5875	Personal Friend	Design For File creator	14 - Ethnic Grant	\$ 500.00
Check	08/22/2008	6037	Personal Friend	Contract work-guide book	14 - Ethnic Grant	\$ 400.00
					TOTAL	\$ 3,815.51

Note *: Associate Director confirmed Kevin Oliver was a personal friend and the co-owner of Asari is Emir Plicanic.

Payments to related parties of staff raise serious questions about the possibility of conflicts of interest, which could lead to the misuse of funds.

We recommend the ACCC implement policies and procedures regarding related party transactions to ensure issues regarding conflict of interest do not exist.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

7. Lack of Deposit Support

Good business practice and good internal control requires policies and procedures to ensure adequate supporting documentation is on file for all money received and deposited.

The APA examined the Access database used by the ACCC to record incoming mail and money. We reviewed all entries recorded during the period July 1, 2007, through December 31, 2009. There were 67 entries containing a monetary value. The APA attempted to trace the deposits to support on file, the deposit slip, and to the bank statements.

During testing, the APA noted the following:

- One entry for a \$20 check received in March 2008 could not be traced to the deposit support on file; therefore, we were unable to determine if the check was properly deposited.
- Five entries for checks, totalling \$335, received in April 2008 were able to be traced to the deposit support on file; however, the total support did not agree to the deposit slip. We noted \$281 more in support than was deposited. The APA then attempted to reconcile the May 2008 deposit support to the deposit slip and noted \$395 less in support than was deposited. The net variance between April and May 2008 totalled \$114 in deposits that lacked support.

Without adequate policies and procedures to ensure all incoming money is properly documented and subsequently deposited, there is an increased risk of misuse or theft of funds.

We recommend the ACCC implement procedures to ensure all money received is properly documented and deposited in the bank. Additionally, we recommend the ACCC appoint an individual, separate from the receipting and depositing process, to review each deposit to ensure the deposit is proper, and all supporting documentation is on file.

8. Federally Funded Questioned Costs

During the period tested, July 1, 2007, through June 30, 2010, the ACCC received Federal funding awarded by the Department of Health and Human Services Administration for Children and Families (ACF) Office of Refugee Resettlement. The grant program was called Ethnic Community Self-Help and was covered under Catalog of Federal Domestic Assistance (CFDA) 93.576. The ACCC was awarded the grant for two project periods, as follows:

Award No.	Project Beginning Date	Project Ending Date	Award Amount Each Fiscal Year	Project Award Total
90RE0134/01	September 30, 2006	September 29, 2009	\$ 117,580	\$ 352,740
90RE0173/01	September 30, 2009	September 29, 2012	\$ 125,000	\$ 375,000

ASIAN COMMUNITY AND CULTURAL CENTER
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A 20-person Project Development Team, comprised of representatives from the African, Eastern European, Asian, and Middle Eastern communities living in Lincoln, Nebraska, developed the proposal to obtain the Federal funding. The Project Development Team selected the ACCC to be the fiscal agent. As the fiscal agent, funds were deposited into the ACCC's checking account, and expenditures were tracked through the ACCC's accounting system, QuickBooks. The ACCC coded expenses relating to the project to "Ethnic Grant" in QuickBooks. The ACCC also called the grant the Fusion Project.

Pursuant to Office of Management and Budget (OMB) Circular A-122, Attachment A, allowable costs under an award must be both reasonable for the performance of the award and adequately documented. (2 C.F.R. § 230 App A(2)(a) and (g) (2010))

During testing, the APA noted 24 payments with questioned costs or alleged violations of provisions of the grant award totaling \$4,746. **See Exhibit H.** These payments of Federal questioned costs were also identified in **Comment Number 1** and **Comment Number 3**.

Without adequate procedures to ensure expenditures are reasonable and adequately documented in accordance with Federal regulations, there is an increased risk for loss or misuse of Federal funds. Additionally, these questioned costs may be required to be repaid to the Federal government. We consider this finding to be a significant deficiency.

We recommend the ACCC implement policies and procedures to ensure expenditures are made in accordance with Federal regulations and are supported by adequate documentation. Further, the ACCC needs to review the questioned costs and take appropriate action to ensure the Federal grants are being properly handled and spent.

Overall Conclusion

The APA documented \$15,599 of allegedly fraudulent payments from the ACCC. Based on the lack of documentation, policies and procedures, and internal controls at the ACCC, prior to the Executive Director's resignation on January 6, 2010, the APA believes strongly that additional monies are likely to be missing, and other payment activities may be suspect or fraudulent. The overall lack of segregation of duties and lack of proper monitoring significantly contributed to the alleged fraud. This report and information has been referred to the Nebraska Attorney General's office for any action deemed appropriate.

Asian Community and Cultural Center Response: We appreciate all of the hard work you have done and thank you for assisting us in convincing the State attorney to prosecute this case.

ASIAN COMMUNITY AND CULTURAL CENTER
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The APA staff members involved in this attestation review were:

Jennifer Cromwell, CFE, Investigation Examiner

Acacia Crist, CFE, ACDA, Auditor II

Craig Kubicek, CPA, CFE, Auditor-In-Charge

Krista Davis, Audit Manager

Mary Avery, Special Audits and Finance Manager

If you have any questions regarding the above information, please contact our office.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT A

BOARD PRESIDENT'S LETTER DECEMBER 2009

Date: December 24, 2009

To all Board Members of the Asian Community and Cultural Center:

As an outgoing President of the Board of Directors of the Asian Community and Cultural Center, I wanted to bring to your attention some concerns that I and An Sampson (ACCC's Treasurer) have encountered during my tenure. The following is a list of items (in no particular order), that I have compiled and would like to discuss with all of you in order to better serve our board, the Asian Center and our Asian Community.

1. All Board Members need to have a copy of the policy and procedure manual as well as a copy of the governing bylaws.
2. Reporting Guidelines; Treasurer must get copies of the Check Ledger, Profit & Loss Statement and Balance Sheet on a monthly basis.
3. Signature Cards (who is allowed to sign ACCC Payroll Checks, Signature Requirements and Restrictions).
4. Salary Increases. Executive Director was reviewed in August 2009. No salary increase was awarded at the time. However, Executive Director (unbeknownst to the Executive Committee) contacted the accounting firm HBE and directed them to increase her annual salary by 4% annually; increasing her annual salary from \$60,610.00 to \$63,024.00. Is this action ethical, honest and allowed under any of the governing statutes?
5. Mileage Reimbursements (The Board needs to clearly define when this is acceptable and how reimbursements are to be handled. All monthly reimbursements on record from Jan – Nov 09 were not approved by the Board of Directors. For Example Check Number 6325 was issued to the Executive Director in the amount of \$1,000.00 on 01/20/09 for mileage reimbursement, and on 01/15/09, there was a second check issued to the Executive Director in the amount of \$125.00 (Check Number 8326), also for mileage reimbursement. I will note that, neither the Board of Directors nor the Executive Committee were presented with this information/approval request.
6. When do decisions need Board approval? For example:
 - a. Creation of New positions at the Center (Associate Director-salary-responsibilities). Why was the board of directors not approached for approval since it would impact the center's budget?
 - b. Executive Director has Visa Check Card and is used without the need of a second signature, proof of purchase, purpose, amount and date. There is little documentation.
 - c. Executive Director offered \$3,000.00 to Board Member; Melanie Bakker her for assistance in setting up the Annual Event in May 2009 (however checks to Melanie Bakke were issued to her in March 2009). This agreement was not approved by the board of directors, nor the Executive Committee prior to the event.
 - d. Vacation time. What are the rules? There is a check that was issued to the Executive Director, signed by the Executive Director in the amount of \$3,419.36; Check Number 7052 (Check Memo indicates this was her 4 week vacation pay). Who keeps track of the Executive Director's time off, hours of operation and performance? Is this action

ASIAN COMMUNITY AND CULTURAL CENTER
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EXHIBIT A

BOARD PRESIDENT'S LETTER DECEMBER 2009

allowed under the governing bylaws of the organization? Is it ethical for the Executive Director to direct the accounting firm to issue her a 4 week vacation check without the need of board approval?

- e. Executive Director requested from the Executive Committee her IRA contribution be doubled.

- 7. Between the months of January and November 2009, we paid the "The Peacock" Restaurant **\$1,344.97** for food bought.

Visa purchase	\$ 60.38	01/26/09
Visa purchase	\$101.19	01/29/09
Visa purchase	\$110.00	02/26/09
Visa purchase	\$ 83.95	04/01/09
Visa purchase	\$ 60.00	04/17/09
Visa purchase	\$ 89.00	04/23/09
Check # 7072	\$480.00	05/21/09 (Check issued and signed by Executive Director).
Visa purchase	\$ 82.00	06/25/09
Visa purchase	\$ 66.00	07/16/09
Visa purchase	\$ 87.45	08/27/09
Visa Purchase	\$125.00	11/18/09

It appears that "The Peacock" was chosen as the preferred food vendor for the ACCC. This decision was never approved by the Board of Directors. It was never submitted to a vote. The Peacock Restaurant is owned by the Executive Director and a conflict of interest exists. When I became aware of this situation, I instructed the Executive Director to stop buying food from her own restaurant, however, it appears that my instruction was ignored as I see a payment of \$125.00 to the Peacock on November 18, 2009.

- 8. All checks and credit card expenses should be accompanied with receipts indicating the purchase, reason for purchase, amount and date. For Example;
 - a. Check Number 6950 in the amount of \$176.20, dated 10/16/09 and Check Number 7073 in the amount of \$225.00 and dated 11/27/09 were issued to the Executive Director and signed by her Associate Director (Jason Varga), without explanation. There are more of these examples in the Bank Statements (from Jan-Nov 2009), totaling \$1,927.10.
- 9. The Asian Center does not have a Nominating Committee.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT A

BOARD PRESIDENT'S LETTER DECEMBER 2009

10. Asian Center's Organizational Structure and Member's schedule, hours of operation, etc. Who sets policy regarding the center's hours of operation?
11. Vacation, Time off and personnel files.
- 11.- Assessment of all Programs offered by ACC.
- 12.- What is the proper process if employees of the center approach Board members regarding the management of the center?
- 13.- What is the proper procedure for Staff members to transport children to and from different venues, and transporting the Executive Director in their own private vehicles?

I trust that you understand the need for an emergency board meeting to discuss the seriousness of this situation and adopt an action plan that will strengthen our board and the financial position of the center.

I would like to meet Next Monday (I am available any time during the day) to discuss the seriousness of these issues and develop appropriate action. I look forward from hearing from you soon.

Sincerely,

Robert A. Suarez, MBA

President of the Board.

Asian Community and Cultural Center

And,

An Sampson

Treasurer

Asian Community and Cultural Center

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT B

ALLEGED FRAUDULENT PAYMENTS TO VENDORS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Check Amount	Explanation	Alleged Fraudulent Payment
Check	10/31/2008	6173	Williamson Honda	car repair	03 - Building Strong Families	\$ 250.00	According to the check request, the payment related to assistance for car repairs through the Building Strong Families grant; however, there was no support attached. Therefore, ACCC staff called Williamson Honda to get a copy of the support. The invoice was to fix a 2003 Honda Accord owned by the Executive Director and her husband.	\$ 250.00
Check	1/23/2009	6342	Century Automotive	car repair assistance	03 - Building Strong Families	\$ 177.88	According to the check request, the payment was for assistance for car repairs through the Building Strong Families grant; however, there was no support attached related to the bill. ACCC staff called Century Automotive to get a copy of the support. The invoice was to fix a 2003 Honda Accord owned by the Executive Director and her husband.	\$ 177.88
Check	3/3/2009	6463	Lincoln Electric System	utility assistance	03 - Building Strong Families	\$ 198.27	According to the check request, the payment related to assistance with electric bill payments through the Building Strong Families grant; however, there was no support attached related to the bill. ACCC staff called LES to get the support. LES would not provide a copy of the statement but confirmed the payment was in the name of Executive Director's husband for the following address 7041 S. 38th St. Apt. #99.	\$ 198.27
Check	8/27/2009	cc	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 386.12	According to the check request, the payment related to contract renewal and cell phone update for the Fusion Office; however, all that was attached was a Verizon invoice that information appeared to have been removed. APA obtained an original copy of the invoice from Verizon. The invoice was in the name of the Executive Director's husband and was for the purchase of two blackberry phones, screen protectors, and cases. The Verizon sales person said they would have received a \$100 rebate related to the phone purchases. APA discussed with ACCC and they do not have the phones.	\$ 386.12

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT B

ALLEGED FRAUDULENT PAYMENTS TO VENDORS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Check Amount	Explanation	Alleged Fraudulent Payment
Check	10/2/2009	6910	Lincoln Electric System	utility assistance	03 - Building Strong Families	\$ 261.06	According to the check request, the payment related to assistance with electric bill payments through the Building Strong Families grant; however, there was no support attached related to the bill. ACCC staff called LES to obtain support. LES would not provide the statement; however, this payment was combined with check 6911. See next line item.	\$ 261.06
Check	10/2/2009	6911	Lincoln Electric System	utility assistance	03 - Building Strong Families	\$ 250.00	Combined with check 6910 (see previous line item) for a total payment of \$511.06 and split between two statements. \$183.92 was applied in the name of Executive Director's husband at the following address 7041 S. 38th St. Apt. #99 and \$327.14 was applied to the Executive Director's home address. The checks were both signed by the Associate Director.	\$ 250.00
Check	10/16/2009	6939	Verizon Wireless	Cell Phone	03 - Building Strong Families	\$ 51.90	According to the check request, the payment related to office cell charges. The Verizon bill included three phones on one bill as follows: Executive Director's husband's phone \$211.29, Executive Director's phone (\$42.84) refund, and Associate Director's phone (\$16.55) refund. Payment was split between two different grants.	\$ 211.29
				monthly office cell	14 - Ethnic Grant	\$ 100.00		
Check	11/13/2009	6995	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 64.65	According to the check request, the payment related to office cell charges. The Verizon bill included two phones on one bill as follows: Executive Director's husband's phone \$115.56 and Associate Director's phone \$13.73. Payment was split between two different grants.	\$ 115.56
				Cell Phone	02 - United Way	\$ 64.64		
Check	11/27/2009	7038	Local Clinic (name removed by APA)		03 - Building Strong Families	\$ 210.95	According to the check request, the payment related to grant expenses of basic needs; however, the invoice attached had the name of the individual removed. APA contacted the clinic to get a copy of the original statement. The payment was for services provided to a relative of the Executive Director and the invoice was in the name of the Executive Director's husband.	\$ 210.95

ASIAN COMMUNITY AND CULTURAL CENTER
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EXHIBIT B

ALLEGED FRAUDULENT PAYMENTS TO VENDORS
July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Check Amount	Explanation	Alleged Fraudulent Payment
Check	12/11/2009	7073	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 64.79	According to the check request, the payment related to office cell charges. The Verizon bill included two phones on one bill as follows: Executive Director's husband's phone \$115.56 and Associate Director's phone \$13.73. Payment was split between two different grants.	\$ 115.56
				Cell Phone	03 - Building Strong Families	\$ 64.50		
Check	2/23/2010	eft	Verizon Wireless	monthly office cell	16 - Sudanese Advocate	\$ 48.20	According to the check request, the payment related to office cell charges. The Verizon bill included two phones on one bill as follows: Executive Director's husband's phone number, which the name had been changed to the Executive Director, for \$115.56 and the Associate Director's phone for \$13.73. The payment was not made on-time so there was an additional \$15.30 in other fees. Payment was split between three different grants.	\$ 115.56
				Cell Phone	14 - Ethnic Grant	\$ 48.20		
				Cell Phone	17 - Census	\$ 48.19		
Totals						\$ 2,289.35		\$ 2,292.25

Note: Per Lincoln Electric System, the 7041 S. 38th St. Apt. #99 address has utilities in the name of Samuel Rajakumar. This is not his home address.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT C

ALLEGED FRAUDULENT REIMBURSEMENTS TO THE EXECUTIVE DIRECTOR

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Account Code Class	Reimbursement Amount	Allowable Reimbursement	Explanation	Alleged Fraud Mileage	Alleged Fraud Purchases
Check	9/5/2008	6077	15-Cooper & 02-United Way	\$ 565.77	\$ 18.10	Reimbursement for a cab ride totaling \$18.10, mileage for \$15.00 (no support) and special order window coverings from JCPenney for \$532.67. According to JCPenney staff, the shades were delivered to 2801 Pine Lake Rd which is where The Peacock is located. The JCPenney receipt noted the customer as the Executive Director's husband and their home address. The coverings were purchased on May 5, 2008, and coded to utilities in QuickBooks.	\$ 15.00	\$ 532.67
Check	2/6/2009	6403	14-Ethnic Grant, 01- ACCC Operating & 08-JBC Grant	\$ 455.00		According to the check request, the reimbursement was for staff mileage to workshop and per diem; however, no supporting documentation was attached.	\$ 455.00	
Check	3/20/2009	6466	13-Parenting Kindly	\$ 30.70	\$ 10.70	Reimbursement for mileage of \$20.00 and office supplies, including \$10.70 for aluminum foil, at Family Dollar (receipt on file). There was no support for the mileage reimbursement.	\$ 20.00	
Check	4/3/2009	6499	13-Parenting Kindly	\$ 80.00		According to the check request, the reimbursement was for staff mileage; however, no supporting documentation was attached.	\$ 80.00	
Check	4/17/2009	6529	13-Parenting Kindly	\$ 65.00		According to the check request, the reimbursement was for staff mileage; however, no supporting documentation was attached.	\$ 65.00	
Check	5/1/2009	6553	13-Parenting Kindly	\$ 77.95		According to the check request, the reimbursement was for staff mileage and postage; however, no supporting documentation was attached.	\$ 77.95	
Check	5/29/2009	6640	13-Parenting Kindly	\$ 125.00		According to the check request, the reimbursement was for staff mileage; however, no supporting documentation was attached.	\$ 125.00	

ASIAN COMMUNITY AND CULTURAL CENTER
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EXHIBIT C

ALLEGED FRAUDULENT REIMBURSEMENTS TO THE EXECUTIVE DIRECTOR

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Account Code Class	Reimbursement Amount	Allowable Reimbursement	Explanation	Alleged Fraud Mileage	Alleged Fraud Purchases
Check	6/12/2009	6679	13-Parenting Kindly	\$ 125.00		According to the check request, the reimbursement was for staff mileage and CCC Strategic meeting expenses; however, no supporting documentation was attached.	\$ 125.00	
Check	6/26/2009	6699	01-ACCC Operating	\$ 141.74		According to the check request, the reimbursement was for staff mileage, summer bag supplies, and business meeting expenses; however, no supporting documentation was attached.	\$ 141.74	
Check	8/7/2009	6809	01-ACCC Operating	\$ 124.60	\$ 7.60	Reimbursement for mileage of \$117.00 and postage of \$7.60 (receipt on file). There was no support for the mileage reimbursement. All expenses were coded to mileage.	\$ 117.00	
Check	9/4/2009	6855	01-ACCC Operating	\$ 135.00		According to the check request, the reimbursement was for staff mileage and meeting supplies; however, no supporting documentation was attached.	\$ 135.00	
Check	10/16/2009	6950	14-Ethnic Grant	\$ 176.20	\$ 16.20	Reimbursement for mileage of \$160.00 and supplies, including \$16.20 for snacks, at Family Dollar (receipt on file). There was no support for the mileage reimbursement.	\$ 160.00	
Check	11/13/2009	7001	03-Building Strong Families	\$ 172.00		According to the check request, reimbursement was for staff mileage; however, no supporting documentation was attached.	\$ 172.00	
Check	11/27/2009	7037	01-ACCC Operating	\$ 225.00		According to the check request, the reimbursement was for staff mileage and meeting expenses; however, no supporting documentation was attached.	\$ 225.00	
Check	12/25/2009	7091	01-ACCC Operating	\$ 230.00		According to the check request, the reimbursement was for staff mileage; however, no supporting documentation was attached.	\$ 230.00	
Totals				\$ 2,728.96	\$ 52.60		\$2,143.69	\$ 532.67
							\$ 2,676.36	

MANIPULATED VENDOR INVOICE
July 1, 2007 Through June 30, 2010



ACCC CHECK REQUEST

Asian Community & Cultural Center: 2615 'O' St. Lincoln, 68510
402.477.3446 / F: 402.477.4508

CURRENT DATE: Nov 20, 2009

DATE CHECK REQUIRED: Nov 27 2009

ISSUE CHECK PAYABLE TO:
(include address if known)

This information was removed
by APA for reporting purposes.
It indicated a local clinic.

Pay the total amount of: \$ 210.95 to cover Small grant
Expenses of home needs

(include a detailed description of items purchased)

Account #: 7160-03 (ASPE Small \$ 210.95
grt)
Account #: _____ \$ _____
Account #: _____ \$ _____
Account #: _____ \$ _____
Account #: _____ \$ _____

Total: \$ 210.95

Requested By: _____ Date: _____

Approved By: _____ Date: _____

ASIAN COMMUNITY AND CULTURAL CENTER
 ATTESTATION REVIEW

EXHIBIT D

MANIPULATED VENDOR INVOICE
 July 1, 2007 Through June 30, 2010

Please Make Checks Payable To:

This information was removed by APA for reporting purposes. It indicated a local clinic.

This information was removed by APA for reporting purposes. It indicated a local clinic.

Statement

Date	Balance	Primary Due	Secondary Due	Patient Owes
10/01/09	410.95	75.00	0.00	335.95
				Please Pay This Amount

Date	Patient	Proce...	Description	Amount
			Balance Forward	560.95
			Payment.... Thank You	-150.00
			Service Charge:	0.00
			Insurance Pending:	75.00
			Patient Owes:	<u>335.95</u>

IF YOU PREFER TO PAY BY CREDIT CARD, PLEASE FURNISH THE FOLLOWING & RETURN THIS PAGE

Name: _____

Visa Mastercard Expiration Date: _____

Card # _____

Authorized Signature: _____

There is a 1% per month service charge on balances more than 30 days old.

Days Due:

Current	31 - 60	61 - 90	91 - 120	120 +	Total
0.00	0.00	0.00	247.20	88.75	335.95

Original Invoice was altered by Executive Director. It was billed to Samuel Rajakumar, Executive Director's home address. APA obtained original billing information from vendor.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT E

EXECUTIVE DIRECTOR EMAILS TO HBE

July 1, 2007 Through June 30, 2010

From: Modesta Putla [mailto:asiancenter2004@yahoo.com]
Sent: Wednesday, November 25, 2009 11:40 AM
To: DIANE M. WHITE
Subject: Modesta's Vacation pay

Diane: This year also i could not take my vacation and so please make a check for (4) weeks vacation time and send to us.

Thanks-Modesta

Modesta Putla Rajkumar
Executive Director
Asian Community and Cultural Center
2615 "O" street
Lincoln , NE 68510
(402) 477-3446
(402) 477-4508 Fax
www.lincolnasiancenter.org

From: Modesta Putla [mailto:asiancenter2004@yahoo.com]
Sent: Friday, November 13, 2009 10:37 AM
To: CHAD L PFEIFFER; DIANE M. WHITE
Subject: Modesta's Annual payraise

Chad : After seeing today's payroll i remembered that I forgot to inform you to include in today's check my annual raise at 4% starting from August 2009.

Will you be able to do calculations and make the payment accordinlgy and let me know whether Sudha can stop over to collect the check. Let me know.

Thank you-Modesta

Modesta Putla Rajkumar
Executive Director
Asian Community and Cultural Center
2615 "O" street
Lincoln , NE 68510
(402) 477-3446
(402) 477-4508 Fax
www.lincolnasiancenter.org

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT F

QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
1/25/2008	7038	UNL	UNL Chinese event	15 - Cooper	\$ 80.00	According to the check request, the payment related to expenses of the UNL Chinese Event. The payee noted on the check was to a UNL graduate student; however, QuickBooks had the payee documented as UNL. There was no documentation attached to the check request supporting the payment.	\$ 80.00		
4/4/2008	5744	El Centro De Las Americas	Reimb of Minority Health project	01 - ACCC Operating	\$2,137.50	According to the check request, the payment was to cover the reimbursement of El Centro De Las Americas Expenses to implement the Minority Health project and included expenses from October - December 2007. The Asian Center was the fiscal agent for the Minority Health grant. There was no documentation attached detailing the expenses for the period. We also noted the Board President of El Centro is a friend of the Associate Director.	\$ 2,137.50		
5/30/2008	5854	Ali Babas	food for middle eastern event	14 - Ethnic Grant	\$ 300.00	According to the check request, the payment was for food for the Middle Eastern event. There was no documentation attached to support the payment.	\$ 300.00		
5/30/2008	5850	Zainab Al-baaj	Fusion Event	14 - Ethnic Grant	\$ 200.00	According to the check request, the payment related to contract work for Fusion event. There was no documentation attached to support the payment. According to the Associate Director, the individual should have completed a professional service contract and an invoice should have been included.	\$ 200.00		
7/11/2008	5944	Loan Tran	food for annual event	07 - Wood Foundation	\$ 100.00	According to the check request, the payment related to costs for Senior refreshments on 5/29/2008. No receipt or documentation was included to support the payment.	\$ 100.00		

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT F

QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
7/11/2008	5947	Miranda Ducey	summer swimming fee	01 - ACCC Operating	\$ 255.00	According to the check request, the payment related to costs for the summer program including swimming field trips and arts and crafts. There was no documentation attached to support the payment.	\$ 255.00		
8/20/2008	6028	Jason Varga	Technical & event supplies,	14 - Ethnic Grant	\$2,000.00	According to the check request, the payment was for technical supplies, event supplies and installation of projector and DVD system installed at the ACCC. The form also indicated receipts would be submitted as spent. All expenses related to the reimbursement were dated after 8/20/2008. The expenses included the following: projector, DVD player, cables, accessories, installation, stamps, and meals. APA observed the assets which were located at the ACCC. An invoice for \$100 was for research and installation of a projector and DVD system payable to a friend of the Associate Director. The receipts included three meal reimbursements which there is no documentation to support whether they were business related. The receipts submitted totalled \$1,985.64; however, \$2,000 was reimbursed, a difference of \$14.36.	\$ 2,000.00		
8/29/2008	7050	Imperial Palace	food for African Fusion event	14 - Ethnic Grant	\$ 350.00	According to the check request, the payment was for food for the Fusion-African event. There were three receipts attached to the request as supporting documentation. The first was to Walgreens for \$5.87 for bags of ice. The second receipt was to Wal-Mart for \$28.86 for pop and water. The third receipt was to Family Dollar for \$19.74 for cups, napkins, plates, and spoons. The three receipts totaled \$54.47. There was no receipt or invoice for Imperial Palace.	\$ 350.00		

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
12/11/2008	6271	Jason Varga	reimb event expense	14 - Ethnic Grant	\$ 400.00	According to the check request, the payment was for expenses for the Eastern Europe Fusion event. The following receipts were noted: a receipt dated 12/5/2008 from Sam's Club for \$62.36 in food items, a receipt dated 12/10/2008 for the Post Office for \$16.50, a receipt dated 12/6/2008 for \$182 to Sinbad's Restaurant, a receipt dated 12/5/2008 to Wal-Mart for \$8.16, a receipt to Super Saver dated 12/5/2008 for \$5.88 and a hand written invoice dated 12/6/2008 for \$129 for food items. The receipts submitted totalled \$403.90. The check request for the \$400 was submitted on 12/4/2008 prior to the purchases. It is unknown if the purchases related to the event noted.	\$ 400.00		
1/9/2009	6330	Farmers New World Life Insurance Co.		14 - Ethnic Grant	\$ 43.10	According to the check request, the payment was for Insurance for the Executive Director. A billing statement was attached from Farmers Life Insurance for one month's premium of \$43.10. A life insurance policy was taken out and does not appear to be approved by the Board per the contract on file. APA observed additional premium payments of \$43.10 per month made to this company beginning in October 2008 through December 2009 for a total of \$689.60.	\$ 43.10		
1/9/2009	6327	Khamisa Abdalla	cell reimb	14 - Ethnic Grant	\$ 120.00	According to the check request, the payment was for the coordinator's 4th quarter cell phone reimbursement. An invoice from Cricket was attached to the request totaling \$56.95; it is unknown what the remaining \$63.05 was for.	\$ 120.00		

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QUESTIONABLE EXPENSES
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Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
4/17/2009	6528	Melanie Bakke	Consultant fee for annual event	01 - ACCC Operating	\$1,000.00	According to the check request, the payment was for the 2nd consultant fee payment for the Annual Event organization. No supporting documentation was attached to the check request. APA also observed the check requests for the first and third consultant fee payments. A service contract was included with the first check request form indicating three \$1,000 payments would be made from March 2009 through May 2009. The service contract did not specify the amount of hours to be spent on the project, but did include directives that were to be met. There was no documentation included indicating the directives were met or what work was done for this second payment. It was also noted the individual was an ACCC Board member.	\$ 1,000.00		
06/10/2009	6683	Menards	fans for summer progams	01 - ACCC Operating	\$1,284.63	According to the check request, the payments were for the cost of fans for the Fusion Project and Senior Program. A copy of the first receipt dated 6/12/2009, was for 100 fans totaling \$1,284.63, a second receipt dated 7/1/2009, for 150 fans, totalled \$1,917.98, and a third purchase of 190 fans totalled \$2,429.44 but did not have a receipt attached. The purchases were reimbursed by the Department of Health and Human Services for the program. There were 440 fans purchased in total. However, documentation of the individuals that received the fans only supported 413 fans. There were 27 fans unaccounted for.	\$ 1,284.63		
07/01/2009	6711	Menards	fans for summer progams	01 - ACCC Operating	\$1,917.98		\$ 1,917.98		
7/22/2009	6770	Menards	fans for summer progams	01 - ACCC Operating	\$2,429.44		\$ 2,429.44		
7/10/2007	5156	Modesta Putla	Mileage	01 - ACCC Operating	\$ 13.00	Reimbursement for a cab ride. There was a receipt on file; however, there was no explanation of where cab went to or from to determine if it was business related.		\$ 13.00	

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
10/19/2007	5419	Modesta Putla	Staff mileage and conference Expense	03 - Building Strong Families	\$ 369.32	Reimbursement for a round-trip flight from Lincoln to Washington, DC for \$362.07, including a \$14.97 service charge. It was noted on the receipt that her son and husband also traveled; however, she was not reimbursed for their flights. There was no support attached as to what the trip was for. There was also a reimbursement for a cab ride of \$7.25; however, there was no explanation of where the cab went to or from to determine if it was business related.		\$ 369.32	
12/14/2007	5536	Modesta Putla	Mileage	01 - ACCC Operating	\$ 25.15	Reimbursement for a cab ride. The receipt on file noted the trip was from her home residence to 27th and Folkways for a health advisory meeting. However, the APA could not determine the business purpose.		\$ 25.15	
1/11/2008	5583	Modesta Putla	Mileage	13 - Parenting Kindly	\$ 15.05	Reimbursement for a cab ride. There was a receipt on file; however, there was no explanation of where cab went to or from to determine if it was business related.		\$ 15.05	
2/8/2008	5626	Modesta Putla	Mileage	13 - Parenting Kindly	\$ 16.80	Reimbursement for a cab ride. There was a receipt on file; however, the explanation of where cab went to or from was not legible, therefore, we could not determine if it was business related.		\$ 16.80	
3/20/2008	5705	Modesta Putla	Mileage and postage	01 - ACCC Operating	\$ 76.58	Reimbursement for postage totalling \$6.45, meals totalling \$24.76 to Taco Bell, cab rides totalling \$33.60 and an unknown receipt for \$11.77. One of the cab receipts, totalling \$17.65 was for a ride from the ACCC to The Peacock. There was no explanation of what the expenses were for.		\$ 76.58	
4/16/2008	5756	Modesta Putla	Mileage	01 - ACCC Operating	\$ 17.75	Reimbursement for a cab ride. There was a receipt on file; however, there was no explanation of where the cab went to or from to determine if it was business related.		\$ 17.75	

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
5/2/2008	5787	Modesta Putla	Mileage mtg. & mtg exp	01 - ACCC Operating	\$ 58.20	Reimbursement for cab receipts totalling \$32.20 and a birthday cake for \$26.00. There were receipts on file; however, there was no explanation of where the cab went to or from for one receipt and the other receipt was to 40th and Pine Lake from the ACCC. It is unknown if the expenses were business related.		\$ 58.20	
5/30/2008	5865	Modesta Putla	Mileage mtg	15 - Cooper	\$ 31.25	Reimbursement for cab receipts. The receipts were on file; however, there was no explanation of where the cab went to or from for one receipt and the other receipt was from her home residence to the ACCC. It is unknown if the expenses were business related.		\$ 31.25	
8/22/2008	6044	Modesta Putla	mileage & cake for meeting	13 - Parenting Kindly	\$ 43.20	Reimbursement for a cab ride totalling \$17.20 and a cake for \$26.00. Receipts were on file; however, there was no explanation of where the cab went to or from. It is unknown whether the expenses were business related.		\$ 43.20	
10/3/2008	6133	Modesta Putla	reimb mileage	13 - Parenting Kindly	\$ 15.35	Reimbursement for a cab ride. The receipt was on file and noted the trip was from 444 Cherry Creek to ACCC; however, there was no explanation for why the trip was necessary. The address was for the UNL Extension Office.		\$ 15.35	
10/31/2008	6176	Modesta Putla	reimb mileage	13 - Parenting Kindly	\$ 59.90	Reimbursement for a cab ride for \$20.45, food from Hy-Vee for \$14.28, an unknown receipt of \$3.17, and an unknown guest receipt from the Knolls for \$22.00. All expenses were coded to Mileage expense.		\$ 59.90	
11/14/2008	6208	Modesta Putla	reimb mileage & soft drinks	15 - Cooper & 02 - United Way	\$ 58.36	Reimbursement for cab rides of \$39.05 and food from Hy-Vee for \$9.31. The expenses were coded to Mileage expense. There was also an unknown \$10.00 reimbursement with no receipt attached for soft drinks.		\$ 58.36	

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
11/28/2008	6227	Modesta Putla	reimb mileage	03 - Building Strong Families & 08 - JBC	\$ 88.78	Reimbursement for meals and food totalling \$63.28 from Mahoney State Park, Super Saver, and Brown Baggers for unknown purposes and mileage of \$25.50 with no receipts attached.		\$ 88.78	
12/9/2008	6284	Modesta Putla	Profess-ional growth trip	01 - ACCC Operating	\$1,000.00	There was an authorized professional growth payment of \$1,000 in accordance with a contract on file dated January 22, 2004; however, the payment should not have been treated as a reimbursement as taxes should have been withheld as this is a payroll item.		\$ 1,000.00	
12/26/2008	6317	Modesta Putla	reimb supplies	03 - Building Strong Families	\$ 59.54	Reimbursement for the purchase of video tapes for \$16.03 from Walgreens, an unknown purchase from Ideal grocery for \$6.36, punch cards from Russ's Market for \$23 with a receipt date of 2/29/2008, and a cab ride totalling \$14.15 with a receipt date of 9/16/2008. All expenses were coded to supplies.		\$ 59.54	
1/9/2009	6328	Modesta Putla	Christmas staff lunch	13 - Parenting Kindly	\$ 125.00	Reimbursement for staff lunch; however, the receipt was not itemized. Check was for \$125; however, the total bill came to \$110.22, leaving an unknown difference of \$14.78.		\$ 125.00	
1/13/2009	6341	Modesta Putla	reimb mileage & ORR animal workshop reimb	03 - Building Strong Families & 14 - Ethnic Grant	\$1,025.87	Reimbursement for expenses related to an Office of Refugee and Resettlement (ORR) Workshop in Phoenix, AZ. The reimbursement was paid on 1/13/2009; however, nearly all the expenses occurred after this date. The reimbursement included a registration fee for \$75, plane ticket for \$221.90, hotel for the Executive Director and her husband for \$307.82 paid 2/10/2009 (included room service of \$22.66), rental car under her husband's name for \$123.47 paid 2/11/2009 (rental car was rented on 2/10/2009, after conference had ended, and was returned 2/11/2009), taxi ride for \$45, per diem for \$150		\$ 1,025.87	

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse-ments Questioned	Credit Card Questioned Expenses
						for three days and other reimbursements for mileage and parking totalling \$102.68 that had no receipts attached and appeared to be a calculated amount to equal the reimbursement as it was paid in advance.			
1/23/2009	6343	Modesta Putla	reimb mileage, staff lunch, supplies	01 - ACCC Operating	\$ 103.91	Reimbursement for miscellaneous items including lunch at "The Peacock Indian Cuisine" for one person totalling \$13.36 with an additional tip of \$5.00. The Executive Director was the server noted on the receipt. The reimbursement also included a cab ride for \$16 dated 11/12/2008 and an unitemized receipt from Euphoria for \$69.55. All expenses were coded to mileage.		\$ 103.91	
2/20/2009	6405	Modesta Putla	reimb lion dance performance	01 - ACCC Operating	\$ 25.00	According to the check request, the reimbursement was for festival costs for a dance performance; however, no supporting documentation was attached.		\$ 25.00	
9/18/2009	6900	Modesta Putla		14 - Ethnic Grant	\$1,000.00	There was an authorized professional growth payment of \$1,000 according to the contract on file dated January 22, 2004; however, the payment should not have been treated as a reimbursement as taxes should have been withheld as this is a payroll item.		\$ 1,000.00	
8/19/2007	Debit	Lowe's	Picnic Supplies	14 - Ethnic Grant	\$ 68.35	Purchase of a charcoal grill and grilling accessories for the Fusion Project picnic. According to the Associate Director, the grill was located at his home, and it was old and in bad shape.			\$ 68.35

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QUESTIONABLE EXPENSES
July 1, 2007 Through June 30, 2010

Date	Check #	Vendor Name	Memo	Account Code Class	Amount	Explanation	Unreasonable/ No Documentation	Executive Director's Reimburse- ments Questioned	Credit Card Questioned Expenses
5/19/2008	Debit	The Apple Store	i Pod for annual youth program incentive	01 - ACCC Operating	\$ 529.65	Purchase of five refurbished iPod nano 4GB at \$99 each. According to ACCC staff, four nanos were given to scholarship winners and the other to the youth group incentive winner. The four scholarship winners were noted in the 2008 Annual Report; however, it was not documented who won the group incentive.			\$ 529.65
1/21/2009	cc	Walmart	gift card for fusion luncheon	14 - Ethnic Grant	\$ 75.00	According to the check request, three \$25 gift cards were purchased for the Fusion lunch and learn. According to ACCC staff, gift cards went to presenters at the lunch and learn. One of the presenters was an employee. The APA discussed why staff would receive a gift card and they said staff had the option of recording hours or receiving the gift card. APA observed the timesheet and the individual recorded hours over lunch also.			\$ 75.00
3/10/2009	cc	White-head Oil	gas cards	03 - Building Strong Families	\$ 150.00	According to the check request, there were 15, \$10 gas gift cards purchased for low income clients; however, there was no documentation of who received the cards. According to ACCC staff, they did not remember giving out gas cards.			\$ 150.00
3/26/2009	cc	Walmart	gift cards for fusion presentation	14 - Ethnic Grant	\$ 125.00	There was no receipt on file supporting gift cards purchased from Wal-Mart. According to ACCC staff, gift cards were given to March and April presenters. The APA observed the recorded video presentation online.			\$ 125.00
TOTAL					\$17,793.66	\$ 17,793.66	\$ 12,617.65	\$4,228.01	\$ 948.00
					41		15	21	5

Note: Payments tested with no questions were not included in this Exhibit.

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EXHIBIT G

SUMMARY OF PAYMENTS TO THE PEACOCK INDIAN CUISINE, INC.

July 1, 2007 Through June 30, 2010

Payment Type	Date	Receipt Amount	Tips	Description	Server
Debit	5/22/2008	\$ 481.50		According to the check request, the payment was for food expenses for the student recognition event. The itemized receipt indicated one "Dinner - 151*" at \$450.00 plus \$31.50 tax totaling \$481.50. According to the Board of Directors Meeting Minutes, the Asian American Student Recognition Ceremony was held on 5/22/2008 at 6 pm at the Northbridge Community & Early Childhood Development Center.	Employee
		\$ 481.50	\$ 0.00	Employee Total	1
Credit Card	10/17/2008	\$ 183.00	\$ 16.37	According to the check request, the payment was for a staff retreat lunch. The itemized receipt indicated there were 13 meals and 7 drinks for \$155.72 plus \$10.91 tax and a \$16.37 tip. No documentation was attached supporting who attended the staff lunch or whether there was a staff lunch provided.	Executive Director
Credit Card	10/20/2008	\$ 136.79		According to the check request, the payment was for the Cultural Centers Coalition (CCC) and board representation meeting expenses. The itemized receipt indicated 16 "Weekday - #106*" meals for \$127.84 plus \$8.95 tax. The ACCC BOD Meeting report for October 2008 indicated two BOD Building Committee members attended the CCC meeting on 10/20/2008; the necessity for 16 meals was not documented.	Executive Director
Credit Card	11/28/2008	\$ 138.23	\$ 10.00	According to the check request, the payment was for food for the BOD Meeting. The only documentation was a credit card receipt that was not itemized. The receipt was dated 11/26/2008 and indicated a charge for \$128.23 plus tip of \$10.00. According to the meeting minutes, the BOD meeting was held on 11/26/2008 and 11 members attended.	Executive Director
Credit Card	1/24/2009	\$ 60.38	\$ 5.00	According to the check request, the payment was for a new BOD member orientation meeting. The itemized receipt indicated 4 specials and 4 teas for \$51.76 plus \$3.62 tax and a \$5 tip. According to the BOD meeting minutes, there was a new board member approved during January 2009; however, documentation did not indicate an orientation meeting occurred.	Executive Director
Credit Card	1/28/2009	\$ 101.19	\$ 5.00	According to the check request, the payment was for food for a BOD meeting. The itemized receipt indicated 10 meals for \$89.90 plus \$6.29 tax and a \$5 tip. The BOD met at the ACCC on 1/28/2009 at 12:00 pm and there were 9 people in attendance.	Executive Director
Credit Card	2/25/2009	\$ 110.00	\$ 13.81	According to the check request, the payment was for food for a BOD meeting. The itemized receipt indicated 10 meals for \$89.90 plus \$6.29 tax and a \$13.81 tip. The receipt noted a "To Go" order at 11:04 am. The BOD met at the ACCC on 2/25/2009 at 12:00 pm with 8 people in attendance.	Executive Director
Credit Card	4/1/2009	\$ 83.95	\$ 7.00	According to the check request, the payment was for a BOD meeting. The itemized receipt indicated 8 weekday meals for \$71.92 plus \$5.03 tax and a \$7.00 tip. The receipt was dated 3/31/2009 and noted a "To Go" order at 11:16 am. There were no meeting minutes or agendas for this date.	Executive Director

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EXHIBIT G

SUMMARY OF PAYMENTS TO THE PEACOCK INDIAN CUISINE, INC.

July 1, 2007 Through June 30, 2010

Payment Type	Date	Receipt Amount	Tips	Description	Server
Credit Card	4/16/2009	\$ 60.00	\$ 2.28	According to the check request, the payment was for a BOD executive meeting. The itemized receipt indicated 6 weekday meals for \$53.94 plus \$3.78 tax and a \$2.28 tip. The ACCC Executive Committee met on 4/16/2009 at 12:00 pm at the ACCC. There was no documentation of how many members attended.	Executive Director
Credit Card	4/22/2009	\$ 89.00	\$ 12.05	According to the check request, the payment was for a BOD meeting. The itemized receipt indicated 8 weekday meals for \$71.92 plus \$5.03 tax and a \$12.05 tip. The purchase was made at 11:27 am. The BOD meeting agenda indicated the meeting was held on 4/22/2009 at 11:45 am at the ACCC; however, there was no documentation of how many members attended.	Executive Director
Check	5/21/2009	\$ 480.00		According to the check request, the payment was for food for the Scholarship Event of 2009. The itemized receipt indicated one "Dinner Asian Center 5/21/09" at \$450.00 plus \$31.50 in tax totaling \$481.50. The receipt attached to the check request was not the original receipt and was copied on a scrap piece of paper. The date of the receipt was 5/29/2009 with a time of 12:15 pm. The check was issued on 5/21/2009 for \$480.00. The April 2009 ACCC Report indicated a scholarship event would be held on 5/21/2009 at 6 pm.	Executive Director
Credit Card	6/25/2009	\$ 82.00	\$ 5.05	According to the check request, the payment was for a BOD meeting lunch. The itemized receipt was dated 6/24/2009 and indicated 8 weekday meals for \$71.92 plus \$5.03 tax and a tip of \$5.05. The BOD meeting minutes indicated the meeting was held on 6/24/2009 at 11:45 am with 7 people in attendance.	Executive Director
		\$1,524.54	\$ 76.56	Executive Director Total	11
Credit Card	8/27/2008	\$ 266.10	\$ 20.00	According to the check request, the payment related to food for the BOD retreat meeting. The itemized receipt indicated one "Dinner - 151*" at \$230.00 plus \$16.10 tax and a \$20 tip. The purchase was made at 9:15 pm and was "To Go." According to the BOD Meeting & Annual BOD Retreat Agenda, the BOD Retreat was held from 5:30-7:30 pm at the West Gate Bank and hors d'oeuvres were to be served during the social hour from 6:40-7:30 pm. According to the BOD Retreat Minutes, 18 people attended.	Son
Credit Card	9/24/2008	\$ 150.00	\$ 0.20	According to the check request, the payment was for food for a BOD Members Meeting. The itemized receipt indicated one "Dinner - 1001*" at \$140 plus \$9.80 tax and \$0.20 tip. The purchase was made at 9:38 pm and was "To Go." According to the BOD Meeting Agenda, a meeting was held on 9/24/2008 at 5:30 pm at the Asian Center and 11 people attended.	Son
		\$ 416.10	\$ 20.20	Son Total	2
Debit	5/7/2008	\$ 80.25		According to the check request, the payment was for expenses for the event. The itemized receipt noted one Rava Laddu purchased for \$75.00 plus \$5.25 tax. The APA noted the 2008 Annual Event was held on 5/8/2008; however, there was no other documentation supporting the payment.	Spouse
Debit	5/14/2008	\$ 123.61	\$ 15.00	According to the check request, the payment was for expenses for a staff meeting lunch. The itemized receipt indicated 10 meals were purchased for \$101.50 plus \$7.11 tax and a \$15 tip; however, there is no documentation regarding who attended the staff lunch.	Spouse

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EXHIBIT G

SUMMARY OF PAYMENTS TO THE PEACOCK INDIAN CUISINE, INC.

July 1, 2007 Through June 30, 2010

Payment Type	Date	Receipt Amount	Tips	Description	Server
Credit Card	7/15/2009	\$ 66.00	\$ 8.28	According to the check request, the payment was for the cost of food for the meeting at the center. The itemized receipt indicated 6 weekday meals for \$53.94 plus \$3.78 tax and an \$8.28 tip. The receipt dated 7/15/2009 was made at 11:05 am; however, there was no documentation supporting a meeting on this date.	Spouse
Credit Card	8/26/2009	\$ 87.45	\$ 10.05	According to the check request, the payment was for the cost of lunch for a BOD meeting at the center. The itemized receipt indicated 8 weekday meals for \$71.92 plus \$5.03 tax and a \$10.05 tip totalling \$87.00. The purchase was made at 11:35 am. The BOD meeting was held on 8/26/2009 at 11:45 am at the ACCC with 8 members in attendance. The amount of the receipt totalled \$87.00; however, the payment was for \$87.45.	Spouse
Credit Card	11/16/2009	\$ 125.00	\$ 19.18	According to the check request, the payment was for a staff retreat lunch. The itemized receipt indicated there were 10 meals and 4 drinks for \$98.90 plus \$6.92 tax and a tip for \$19.18. The receipt dated 11/16/2009 was made at 1:18 pm; however, there was no documentation supporting the staff meeting.	Spouse
		\$ 482.31	\$ 52.51	Spouse Total	5
Check	12/14/2007	\$ 250.00		According to the check request, the payment was for expenses for the BOD meetings and fundraising meeting; however, there was no support attached to the check request.	Unknown
Debit	12/19/2007	\$ 115.11	\$ 20.00	According to the check request, the payment was for expenses for the staff Christmas Lunch. The only documentation was a credit card receipt that was not itemized. The meal was \$95.11 with a \$20 tip.	Unknown
Debit	1/15/2008	\$ 62.25		No documentation could be found related to the payment; however, according to the BOD Meeting agenda, the ACCC Executive Committee met on 1/15/2008 at 5:30pm at the Asian Center. There was no indication of how many attended or if a meal was served.	Unknown
Debit	4/7/2008	\$ 140.00		No documentation could be found related to the payment.	Unknown
Debit	5/14/2008	\$ 100.00		According to the check request, the payment was for a gift card for the Annual Event. There was no support attached to the check request and the 2008 Annual Event was held on 5/8/2008.	Unknown
Debit	6/1/2008	\$ 74.90		No documentation could be found related to the payment. The transaction took place on a Sunday.	Unknown
		\$ 742.26	\$ 20.00	Unknown Total	6
		\$3,646.71	\$ 169.27	Grand Total	25

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EXHIBIT H

CFDA #93.576 QUESTIONED COSTS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Amount Paid	Questioned Costs	Description
Check	08/19/2007	Debit	Lowe's	Picnic Supplies	14 - Ethnic Grant	\$ 68.35	\$ 68.35	Purchase of a charcoal grill and grilling accessories for Fusion project picnic. According to the Associate Director, the grill is located at his home and is old and in bad shape.
Check	05/30/2008	5854	Ali Babas	food for middle eastern event	14 - Ethnic Grant	\$ 300.00	\$ 300.00	According to the check request, the payment was for food for the Middle Eastern event. There was no documentation to support the payment.
Check	05/30/2008	5850	Zainab Al-baaj	Fusion Event	14 - Ethnic Grant	\$ 200.00	\$ 200.00	According to the check request, the payment was for contract work for arranging a Fusion event. There was no documentation to support the payment. According to the Associate Director, a professional service contract and an invoice should have been completed.
Check	08/20/2008	6028	Jason Varga	Technical & event supplies,	14 - Ethnic Grant	\$ 2,000.00	\$ 62.70	The Associate Director received reimbursement for the purchase of meals, cables, a projector, DVD player, and other supplies used to install a projector. The three meal reimbursements were not supported with documentation to determine they were business related. The receipts submitted totalled \$1,985.64; however, the Associate Director received \$2,000, a difference of \$14.36. Questioned costs included the three meal reimbursements of \$31.70 to Applebee's, \$3.25 to The Cup Inc., and \$13.39 to Arby's totaling \$48.34 plus \$14.36 for the amount not supported by receipts.
Check	08/29/2008	7050	Imperial Palace	food for African Fusion event	14 - Ethnic Grant	\$ 350.00	\$ 350.00	According to the check request, the payment was for food for the Fusion-African event. There were three receipts attached to the request totalling \$54.47. The first was to Walgreens for \$5.87 for bags of ice. The second receipt was to Wal-Mart for \$28.86 for pop and water and the third receipt was to Family Dollar for \$19.74 for cups, napkins, plates, and spoons. There was no receipt or invoice for the Imperial Palace.

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CFDA #93.576 QUESTIONED COSTS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Amount Paid	Questioned Costs	Description
Pay-check	10/29/2008	6202	Modesta Putla	4 weeks vacation pay	14 - Ethnic Grant	\$4,662.30	\$ 837.40	Payment for four weeks vacation for 2008 totalling \$4,662.30. Of this amount, \$837.40 was coded to the Ethnic Grant. The Employee Handbook only allowed a vacation pay out when an employee was laid-off, discharged, or resigned with due notice. In addition, vacation time was not cumulative from year to year.
Check	01/09/2009	6330	Farmers New World Life Insurance Co.		14 - Ethnic Grant	\$ 43.10	\$ 43.10	Payment for one month's premium of life insurance for the Executive Director. It appears the life insurance policy was not approved by the Board according to the original hire letter.
Check	01/09/2009	6327	Khamisa Abdalla	cell reimb	14 - Ethnic Grant	\$ 120.00	\$ 63.05	According to the check request, the payment was for the Fusion Project African Team Coordinator's 4th quarter cell phone reimbursement. A Cricket cell phone bill was attached to the request totalling \$56.95 with the remaining \$63.05 of the payment not supported by the cell phone bill.
Check	01/13/2009	6341	Modesta Putla	reimb. Mileage	14- Ethnic Grant	\$ 1,025.87	\$ 575.87	Reimbursement for expenses related to the Office of Refugee Resettlement (ORR) Workshop in Phoenix, AZ. The reimbursement check was paid on 1/13/2009; however, almost all the expenses occurred after this date. Reimbursement included a registration fee for \$75, a plane ticket for \$221.90, and hotel expenses for the Executive Director and her husband for \$307.82 paid on 2/10/2009, which included room service of \$22.66. The reimbursement also included a rental car under the Executive Director's husband's name for \$123.47 that was paid on 2/11/2009. The rental car was rented on 2/10/2009 after the conference was over and returned on 2/11/2009. In addition, the reimbursement included unknown taxi rides for \$45, per diem of \$150 for three days and parking totaling \$102.68 that had no receipts attached and appeared to be a calculated amount to equal the reimbursement as it was paid in advance.

ASIAN COMMUNITY AND CULTURAL CENTER
ATTESTATION REVIEW

EXHIBIT H

CFDA #93.576 QUESTIONED COSTS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Amount Paid	Questioned Costs	Description
Check	01/21/2009	cc	Walmart	gift card for fusion luncheon	14 - Ethnic Grant	\$ 75.00	\$ 25.00	The payment was for three \$25 gift cards purchased for the Fusion lunch and learn. According to ACCC staff, gift cards went to the Fusion Project African Team Coordinator (ACCC staff member) and two additional presenters. APA discussed as to why staff would receive a gift card and they said staff had the option of recording hours or receiving the gift card. APA observed the timesheet of the individual and the staff member recorded hours for the lunch.
Check	02/06/2009	6403	Modesta Putla	reimb mileage, staff lunch, supplies	14 - Ethnic Grant	\$ 455.00	\$ 200.00	According to the check request, the reimbursement was for staff mileage to a workshop and per diems; however, no supporting documentation was attached. Only \$200 of the \$455 reimbursement was coded to the Ethnic Grant.
Check	03/26/2009	cc	Walmart	gift cards for fusion presentation	14 - Ethnic Grant	\$ 125.00	\$ 125.00	The receipt was not on file. According to the ACCC staff, the gift cards were given to March and April presenters. The agenda for the Eastern Europe presentation noted three presenters and the agenda for the Asia presentation noted two presenters.
Check	08/27/2009	cc	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 386.12	\$ 386.12	According to the check request, the payment was for a contract renewal and cell phone updates for the Fusion Office; however, the invoice from Verizon appeared to have information removed. APA obtained an original copy of the invoice from Verizon. The invoice was in the name of the Executive Director's husband and was for the purchase of two blackberry phones, screen protectors, and cases. The Verizon sales person said they would have received a \$100 rebate related to the phone purchases. APA discussed with the ACCC and they did not have the phones.
Check	10/16/2009	6950	Modesta Putla	reimb mileage & supplies	14 - Ethnic Grant	\$ 176.20	\$ 160.00	Reimbursement for mileage and supplies including \$16.20 for snacks at Family Dollar (receipt on file). There was no support for the mileage reimbursement of \$160.00.

ASIAN COMMUNITY AND CULTURAL CENTER
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EXHIBIT H

CFDA #93.576 QUESTIONED COSTS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Amount Paid	Questioned Costs	Description
Check	10/16/2009	6939	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 151.90	\$ 100.00	According to the check request, the payment was for office cell charges. The Verizon bill included charges for three phones on one bill as follows: Executive Director's husband's phone for \$211.29, Executive Director's phone (\$42.84) refund, and Associate Director's phone (\$16.55) refund. Only \$100 of the \$151.90 payment was coded to the Ethnic Grant.
Pay-check	11/13/2009	7021	Modesta Putla		14 - Ethnic Grant	\$ 746.00	\$ 133.98	Retroactive payments for a four percent pay increase from August 2009 through November 2009. The total payout was \$746.00; however, only \$133.98 was coded to the Ethnic Grant. According to the Board President, no raise was to be given during 2009; however, an email was sent by the Executive Director to HBE requesting the pay out.
Check	11/13/2009	6995	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 129.29	\$ 64.65	According to the check request, the payment was for office cell phone charges. The Verizon bill included two phone charges on one bill as follows: Executive Director's husband's phone for \$115.56 and Associate Director's phone for \$13.73. Only \$64.65 of the \$129.29 payment was coded to the Ethnic Grant.
Pay-check	11/25/2009	7052	Modesta Putla	4 weeks vacation pay	14 - Ethnic Grant	\$ 4,849.54	\$ 870.90	Payment for four weeks unused 2009 vacation totalling \$4,849.54. Only \$870.90 of this amount was coded to the Ethnic Grant. The Employee Handbook only allowed a vacation pay out when an employee was laid-off, discharged, or resigned with due notice. In addition, vacation time was not cumulative from year to year. An email was sent by the Executive Director to HBE requesting the pay out.
Pay-check	11/27/2009	7035	Modesta Putla	Pay Raise	14 - Ethnic Grant	\$ 93.25	\$ 16.74	Executive Director received a pay raise of \$93.25 for the pay period. Of this amount, \$16.74 was coded to the Ethnic Grant. According to the Board President, the Executive Director was not to receive a raise in 2009; however, she sent an email to HBE requesting the raise.

ASIAN COMMUNITY AND CULTURAL CENTER
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EXHIBIT H

CFDA #93.576 QUESTIONED COSTS

July 1, 2007 Through June 30, 2010

Payment Type	Date	Check #	Vendor Name	Memo	Account Code Class	Amount Paid	Questioned Costs	Description
Check	12/11/2009	7073	Verizon Wireless	monthly office cell	14 - Ethnic Grant	\$ 129.29	\$ 64.79	According to the check request, the payment was for office cell charges. The Verizon bill included charges for two phones as follows: Executive Director's husband's phone for \$115.56 and Associate Director's phone for \$13.73. Only \$64.79 of the \$129.29 payment was coded to the Ethnic Grant.
Pay-check	12/11/2009	7063	Modesta Putla	Pay Raise	14 - Ethnic Grant	\$ 93.25	\$ 16.74	Executive Director received a pay raise of \$93.25 for the pay period. Of this amount, \$16.74 was coded to the Ethnic Grant. According to the Board President, the Executive Director was not to receive a raise in 2009; however, she sent an email to HBE requesting the raise.
Pay-check	12/25/2009	7085	Modesta Putla	Pay Raise	14 - Ethnic Grant	\$ 93.25	\$ 16.74	Executive Director received a pay raise of \$93.25 for the pay period. Of this amount, \$16.74 was coded to the Ethnic Grant. According to the Board President, the Executive Director was not to receive a raise in 2009; however, she sent an email to HBE requesting the raise.
Pay-check	01/08/2010	7111	Modesta Putla	Pay Raise	14 - Ethnic Grant	\$ 93.25	\$ 16.74	Executive Director received a pay raise of \$93.25 for the pay period. Of this amount, \$16.74 was coded to the Ethnic Grant. According to the Board President, the Executive Director was not to receive a raise in 2009; however, she sent an email to HBE requesting the raise.
Check	02/23/2010	EFT	Verizon Wireless	Cell Phone	14 - Ethnic Grant	\$ 144.59	\$ 48.20	According to the check request, the payment was for office cell phone charges. The Verizon bill included charges for two phones. There were \$115.56 in charges for the Executive Director's husband's phone number (the name for this number was changed to the Executive Director), there were \$13.73 in charges for the Associate Director's phone and \$15.30 in other fees because the payment was not made on time. Of the \$144.59 payment, \$48.20 was coded to the Ethnic Grant.
Totals						\$16,510.55	\$ 4,746.07	