

MRP
9/29/14

Ethics Tipline Incident #120074221
Metro Animal Services Donation Fraud Allegation
Review

Tick Legend

SPOT Fund Inc. Disbursement Examination (w/p Ethics Tipline 120074221-1-3a)

- A** The donations collected by Metro Animal Services (MAS) for the SPOT Fund were distributed to The SPOT Fund, Inc at quarter end without exception. **No observations noted.**
- A1** The donations collected by Metro Animal Services (MAS) for the SPOT Fund were distributed to The SPOT Fund, Inc at quarter end. However, as a result of a refund in the amount of \$5.50, the donations collected for the quarter do not agree to the funds distributed. The refund was processed after the quarterly distribution was made. **No observations noted.**
- B** The quarterly distributions from MAS were deposited into the SPOT Bank Account, as the amount of the distribution agrees to the respective deposit without exception. **No observations noted.**
- B1** The Office of Internal Audit could not verify that the quarterly distributions from MAS were deposited into the SPOT Bank Account, as the amount of the distribution could not be agreed to the respective deposit. SPOT, INC did not provide sufficient documentation to trace these quarterly distributions to the bank statements. However, the funds included in the distributions were not identified as being specifically intended for Sadie. **No observations noted.**

MAS Donation Designation Examination (w/p Ethics Tipline 120074221-1-3b (1-4))

- C** MAS has maintained the Donation Data Sheet for this donation, as required by the Office of Management and Budget Policies and Procedures. **No observations noted.**
- C1** MAS has not maintained the Donation Data Sheet, Donor Letter, Acknowledgement Letter, or Distribution Plan for this donation, as required by the Office of Management and Budget Policies and Procedures. MAS does not consistently prepare, distribute, and/ or maintain the documentation as required. As a result of noncompliance, MAS is unable to provide sufficient documentation regarding donor intent. **Observation noted. (General Observation)**
- D** MAS has maintained the Donor Letter for this donation, as required by the Office of Management and Budget Policies and Procedures. **No observations noted. (NOT USED)**
- E** MAS has maintained the Acknowledgement Letter for this donation, as required by the Office of Management and Budget Policies and Procedures. **No observations noted. (NOT USED)**
- F** MAS has maintained the Distribution Plan for this donation, as required by the Office of Management and Budget Policies and Procedures. **No observations noted. (NOT USED)**
- G** MAS has maintained the Council Resolution for this donation, as required by the Office of Management and Budget Policies and Procedures for all donations greater than \$5,000. **No observations noted. (NOT USED)**
- G1** MAS has not maintained the Council Resolution for this donation, as required by the Office of Management and Budget Policies and Procedures for all donations greater than \$5,000, because this donation is equal to or less than \$5,000. **No observations noted.**
- G2** MAS has not maintained the Council Resolution for this donation, as required by the Office of Management and Budget Policies and Procedures for all donations greater than \$5,000. This donation is greater than \$5,000. As a result, it cannot be determined if the donation was appropriated through the proper channel without further investigation. Please refer to **Exhibit C** for further details. **Observation noted. (Review Summary Only)**
- H** The donation was specifically designated for Sadie, as evidenced by the documentation provided by the Office of Management and Budget and/ or MAS management. Please refer to **Exhibit D** for further details. **No observation noted.**

- H.1** The donation was not specifically designated for Sadie. The alternative documentation referenced “Sadie”. However upon further review within the Chameleon System, it was determined that “Sadie” was most likely a reference to the donor’s pet, named Sadie. Please refer to **Exhibit E** for further details. **No observation noted.**
- H1** The donation was specifically designated for a specific fund and a specific use. However, the funds were not intended for Sadie, as evidenced by the documentation provided by the Office of Management and Budget and/ or MAS management. **No observation noted.**
- H1.1** The donation was specifically designated for either the Building Fund or the SPOT Fund. However, the funds were recorded into the account for the Animal Care Fund within Louisville Metro Government’s Financial Accounting System (LeAP). As the funds were not recorded into the proper LeAP account, there is a greater risk that the funds will not be spent as intended by the donor. Please refer to **Exhibit F** for further details. **Observation noted. (Review Summary Only)**
- H1.2** The donation was specifically designated for a specific use, described in alternative documentation as “Medical Expenses”. The alternative documentation does not specifically reference Sadie. However, due to the timing of the donation and the nature of Sadie’s needs, there is a significant chance that these funds could have been intended for Sadie. However, due to the vagueness of the alternative documentation and overall lack of documentation OIA cannot conclude that these funds were intended for Sadie. Please refer to **Exhibit D** for further details. **Observation noted. (Review Summary Only)**
- H2** The donor’s specified use of these donated funds cannot be determined because there is insufficient documentation regarding the donation designation. It is a general best practice to expend donated funds as specified by the donor. Otherwise, it can be assumed that the funds were collected under false pretenses. Further, OMB policy requires the collection and maintenance of a Donor Letter, which specifies intended use. MAS donation collection methods are not conducive to efficiently collected documentation regarding intended use. **Observation noted.**