

WEST VIRGINIA LEGISLATURE
Legislative Post Audit Division

Building 1, Room W-329
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4880
(304) 347-4889 FAX



Denny Rhodes
Director

January 9, 2017

The Honorable William P. Cole III, President
West Virginia State Senate
Post Audits Sub-Committee, Co-Chair
Room 229 M, Building 1
State Capitol Complex
Charleston, West Virginia 25305

The Honorable Tim Armstead, Speaker
West Virginia House of Delegates
Post Audits Sub-Committee, Co-Chair
Room 228 M, Building 1
State Capitol Complex
Charleston, West Virginia 25305

Dear Mr. President and Mr. Speaker:

In a letter, dated November 23, 2015, President Cole and Speaker Armstead asked the Department of Health and Human Resources (DHHR) to review the Office of the Chief Medical Examiner (OCME) body transport invoices for FY 2010, 2011, 2013, and 2014. The Legislative Post Audit Division conducted the review of invoices on behalf of DHHR due to its time and personnel constraints. The Legislative Auditor found that there were 25 vendors overpaid by a total of **\$141,316**. These overpayments were noted on 1,028 separate invoices out of the 6,075 reviewed, which is equal to 17% of the total invoices.

Identification of Initial Problem

During the November 2015 interim meeting of the Post Audits Sub-Committee, the Legislative Auditor identified the "Inefficient Use of \$76,281 in State Money Paid to (OCME) Vendors" in FY 2012. The OCME audit uncovered improper use of state funds through overpayment, which can be attributed to miscalculations, billing errors, and lack of policies and procedures in place. Specifically, the Legislative Auditor identified:

1. Excess payments due to the incorrect calculation of body transports;
2. Excessive mileage amounts on invoices; and,
3. Other instances which include excessive mileage, duplicate payments and payments for "wait time at the scene," which was not an approved billable fee.

Methodology

The review began in February 2016 with the Bureau for Public Health (BPH) providing the documentation for review. Out of 6,142 documents there were initially 1,019 missing documents. In May 2016 a letter was sent inquiring “why the documentation is missing or is no longer available.” DHHR and BPH agreed to continue searching for the missing documentation and provide it to Post Audit as it was found. After multiple deadlines, another letter was sent to DHHR inquiring as to why it had taken so long for our office to receive the missing documents. Reasons given included “the Bureau for Public Health’s older archived finance records were found to be incomplete and misfiled” and “the official records are separated into two sets of archives.” Post Audit continued to receive documents from BPH through October 2016. All documents were reviewed with the exception of 67 invoices totaling \$4,150.

In our review, analytical procedures were undertaken to determine if the reimbursement of funds to transport vendors were reasonable and accurate. Transport invoices were analyzed to check calculations of incoming and outgoing body transport payments. Specifically, transport invoices from FY 2010, 2011, 2013, and 2014 were reviewed to identify the claiming of excessive mileage, duplicate payments, the correct number of bodies per transport, proper toll fees paid, and additional fees paid such as “wait time.”

To determine if mileage was reasonable for each transport, we recalculated the mileage using Google Maps, compared it with the mileage claimed on the invoices, and determined whether the differences were significant.

Conclusion

Based upon the analysis, DHHR overpaid vendors an additional **\$141,316**; thus, the amount of State money overpaid to OCME vendors totaled **\$217,597** from FY 2010 - 2014. Contributing factors for the overpayment to vendors were bodies transported to incorrect locations, the reimbursement of excessive mileage, and paying for more than one body transported together. The results of the review will be provided to DHHR, including vendors, amounts, etc. **The Legislative Auditor recommends that DHHR report back to the Sub-committee at the next interim meeting with an update on these overpayments and to discuss its options including whether reimbursement can legally be requested.**

Sincerely,



Denny Rhodes

- c: Karen L. Bowling, Cabinet Secretary, Department of Health and Human Resources
Chris Stadelman, Chief of Staff, Office of the Governor
Dr. Rahul Gupta, Commissioner, Bureau for Public Health