AuditCon

by ACUA

New Orleans, Louisiana | September 27 - October 1, 2026

ACUA

Family Trips and Federal Funds: A Fraud Case Study

Objectives



1. Identify red flags for travel documentation submitted as proof for reimbursement.
2. Collaborate with your University's Sponsored Programs Office to identify possible misspending of federal funds.
3. Understand possible audit steps for identifying ghost employees.

Agenda



- Background
- Complaint
- Travel (Interactive)
- Employment of Spouse
- Sponsored Programs
- Internal Control Recommendations (Interactive)

About the Speakers



- Assistant Audit Director
- 10+ years experience
- CFE
- CIA
- MAcc

Robb Hartman



- Senior Auditor
- 3 years of experience in auditing
- CFE
- CIA
- MAcc

Rose Huskerson

Robb Hartman

Rose Huskerson

- 2nd place IA 2025 holiday cookie bracket
  - Runner up cookie: Andes Mint chocolate cookie
- Interests:
  - Tabletop games
  - Halloween
  - Hiking



- Parent of an actual human child
  - And also a dog

- Initials "RH"
- Enjoys baking
- Fraud Investigations
- CFE, CIA, MAcc

- 1st place IA 2025 holiday cookie bracket
  - Winning cookie: browned butter chocolate chip cookie
- Interests:
  - Fashion
  - Fitness
  - Coffee



- Pet parent of Shelties

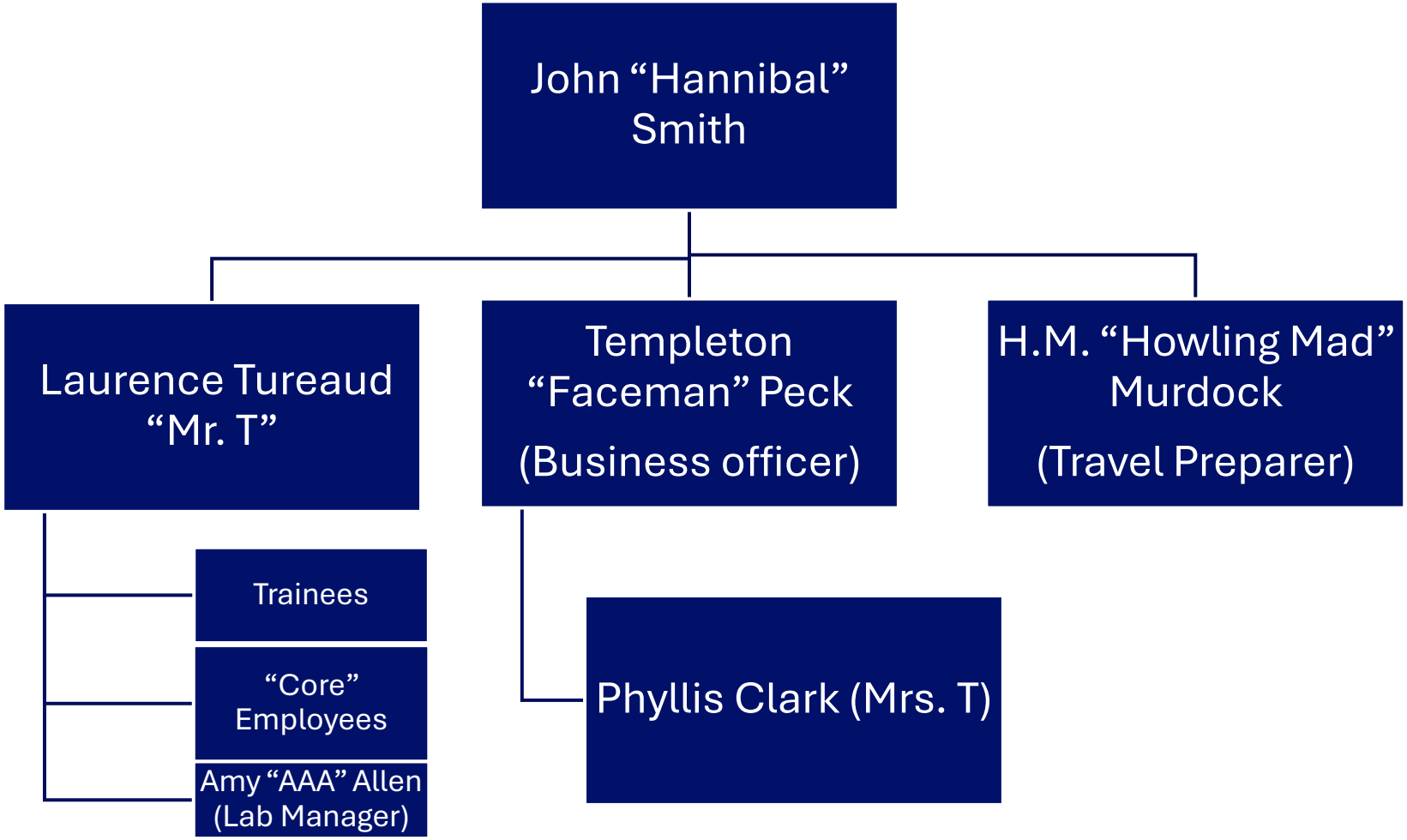
Disclaimer

- Any appearance to any real individuals is entirely coincidental.
- This presentation is not meant to indicate any criminal or civil wrongdoing or liability.
- This presentation is for educational purposes only, and this does not represent the opinions of Colorado State University or the CSU System.

Background

- Respected researcher
  - Ran a lab for research and a “core”
- Worked for an R1 Research Institution
  - Worked for the university for 10+ years
- About $150,000 in losses

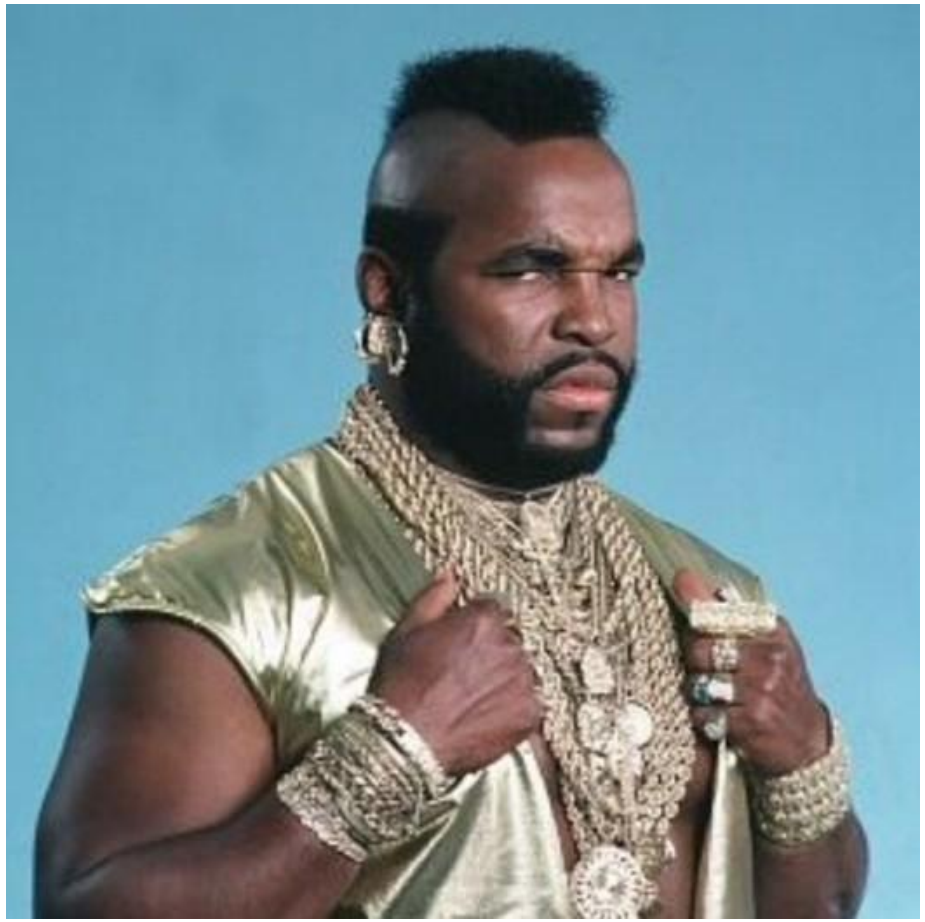



John “Hannibal” Smith
Laurence Tureaud “Mr. T”
Templeton “Faceman” Peck
(Business officer)
H.M. “Howling Mad” Murdock
(Travel Preparer)
Trainees
“Core” Employees
Amy “AAA” Allen (Lab Manager)
Phyllis Clark (Mrs. T)

The A-Team

Initial Complaint

- Received request from John “Hannibal” Smith to have a meeting
- Second complaint into IA about Mr. T
- Concerns about Mr. T’s behavior, in particular
  - Conflicts of Interest
  - Employment of Spouse
  - Grant Spending



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Brainstorming

- Dept. Head Concerns
  - ~~Conflict of Interest~~
  - ~~Grant Spending~~
  - Employment of Spouse
- Our Concerns
  - Travel
  - ~~P-card~~
  - ~~Access to cash~~
  - ~~Access to vehicles~~

Brainstorming

- Travel
  - Select sample of travel to review
  - Expand if necessary
  - Review for:
    - Grant allowability/allocability
    - Adherence to policy/procedure
- Employment of Spouse
  - Determine the following
    - What are job duties?
    - Capable of performing job?
    - How long employed?
    - How much was she paid?
    - Was she doing her job?

Travel



Interactive Component – Break into groups of 3-5

Mountain Resorts

- Mr. T stayed at this specific hotel on 5 separate occasions.
  - 3 receipts are provided
  - What do you notice on each receipt?



Mountain Resorts **Receipt**

Guest Name: [redacted] Friday, August 1, 2025

Address: [redacted]

Reservation: 436789

Property (Type): RA606 - Ranch at Steamboat

Stay: Aug 16, 2025 to Aug 19, 2025

Type: Payment

Auth Only: No

Total: $1,448.09

Paid By:
Credit Card
MASTERCARD No. **********7206 Expires: 08-2025

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BROOK GREEN

Pub & Rooms

Brook Green, 170 Shepherd's Bush Road, Hammersmith, London, W6 7PB
Tel: 020 7603 2516 | Email: brookgreen@youngs.co.uk | Web: www.brookgreenhotel.co.uk

Invoice

Mr. T's home address

Invoice Number:	FB004601
Booking Reference:	BG005976
Room ID:	3
Arrival Date:	31/Dec/2024
Departure Date:	04/Jan/2025
Purchase Order:	

Guest: Mr. T

Date	Description	Quantity	Value Net	Value Gross	Value Total
31/Dec/2024	MOTO Default	1	-£916.00	-£916.00	-£916.00
31/Dec/2024	Bed & Breakfast	1	£294.99	£354.00	£354.00
01/Jan/2025	Bed & Breakfast	1	£161.66	£194.00	£194.00
02/Jan/2025	Bed & Breakfast	1	£153.33	£184.00	£184.00
03/Jan/2025	Bed & Breakfast	1	£153.33	£184.00	£184.00
04/Jan/2025	Beverage (Pos #161)	1	£3.79	£4.55	£4.55
04/Jan/2025	MasterCard (Auth 012371 / Card *4387)	1	-£4.55	-£4.55	-£4.55

Balance Due: £0.00

Tax Analysis

Tax Code	Nett	Tax	Gross
UK VAT 20%	£767.13	£153.42	£920.55

VAT Number: 216083584

Received from Brook Green

Lodging $947.02

BROOK GREEN

Pub & Rooms

Brook Green, 170 Shepherd's Bush Road, Hammersmith, London, W6 7PB
Tel: 020 7603 2516 | Email: brookgreen@youngs.co.uk | Web: www.brookgreenhotel.co.uk

Preview

Mr. T's home address

Booking Reference:	BG005976
Room ID:	3
Arrival Date:	31/Dec/2024
Departure Date:	04/Jan/2025
Purchase Order:	

Guest: Mr. T

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Balance Due: £0.00

Tax Analysis

Tax Code	Nett	Tax	Gross
UK VAT 20%	£767.13	£153.42	£920.55

VAT Number: 216083584

Provided by Mr. T



GUEST PAY

[redacted]

Room No TT 540
Page No 1
Guests 3
Res ID. 458412542595
Fol ID. 458562937562
Arrival 7/19/25
Departur 7/20/25
Group IPRV25
T/A No.

DATE	REFERENCE	DESCRIPTION	SPLIT	AMOUNT
7/19/25	458562943132	PARKING		20.00
		TAX		.00
EXTERNAL TICK100				
7/19/25	458569100760	COUNTY TAX		.01
		TAX		4.99
EXTERNAL TICKTT 540				
7/19/25	458569100761	RESORT FEE		29.95
		TAX		4.19
EXTERNAL TICKTT 540				
7/19/25	458569101261	ROOM CHARGE TT 540		533.00
EXTERNAL TICKTT 540				
		TAX		74.62
7/19/25	458562937563	APPLIED DEPOSIT		607.62CR
		**********7206		.00

T's home
ress

07/22/2025
11:22:04
CI: IJWSUSRHLT
CO: CVALDEZCAB
Wing/Room TT 540

No Party 1
Fol ID 458562937562
Page 1 07/20/2025 09:19:00
Arrival 07/19/2025
Departure 07/20/2025
Bill code
Group IPRV25

THANK YOU FOR STAYING WITH US

	REFERENCE	DESCRIPTION	$ CHARGES	CREDITS
/2025	458562943132	PARKING	20.00	
		RITS GID 458412542595		
/2025	458569100760	COUNTY TAX	5.00	
		COUNTY TAX		
/2025	458569100761	RESORT FEE	34.14	
		RESORT FEE $34.14 DAILY		
/2025	458569101261	ROOM CHARGE TT 540	533.00	
		ROOM	74.62	
/2025	458562937563	APPLIED DEPOSIT		607.62
		**********7206		
/2025	458562942118	WEB INTERNET		
		540 21:50 DEVICE-25002		
/2025	458562942147	WEB INTERNET		
		540 22:00 DEVICE-25002		
/2025	458562942890	WEB INTERNET		
		540 23:48 DEVICE-25002		
/2025	458572951672	FRONT DESK-MASTERCARD		59.14
		**********7206		
	Balance Due	.00		

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t is confidential or legally protected.

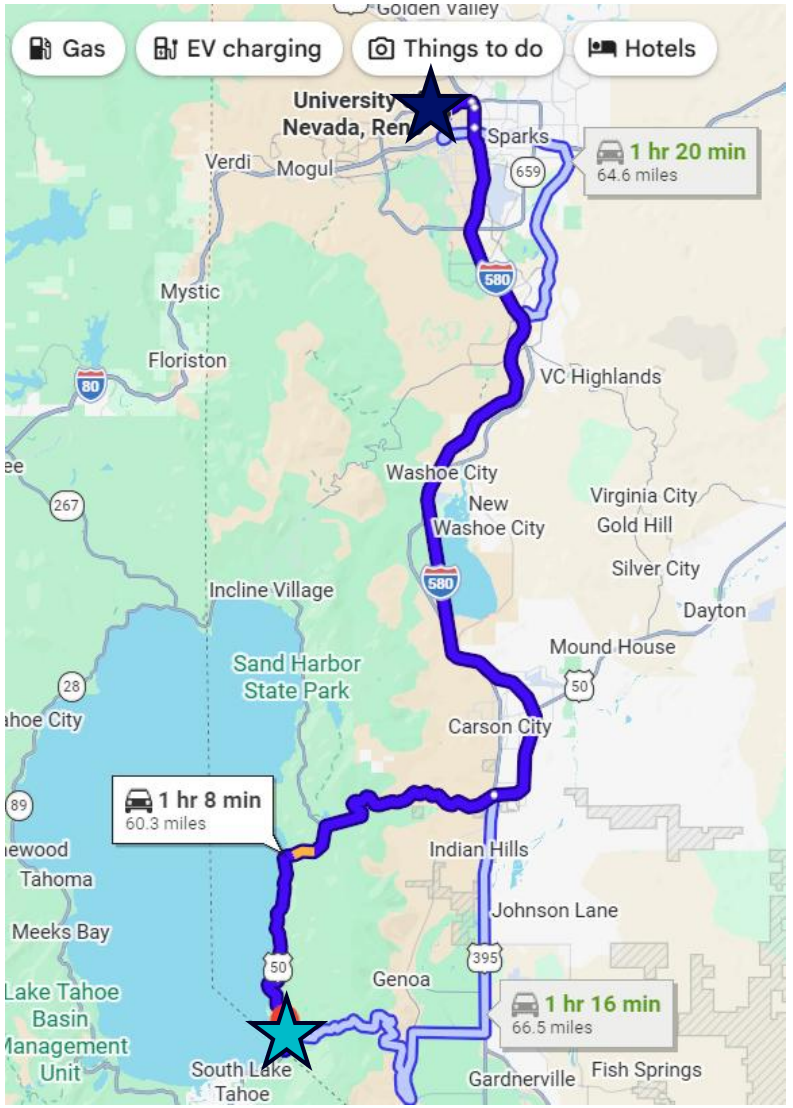
you for staying with us! We truly appreciate your patronage. Visit www.Caesars.com/myrewards to book your next trip! Share
xperience on TripAdvisor! www.tripadvisor.com/Rateit-Caesars

Reno

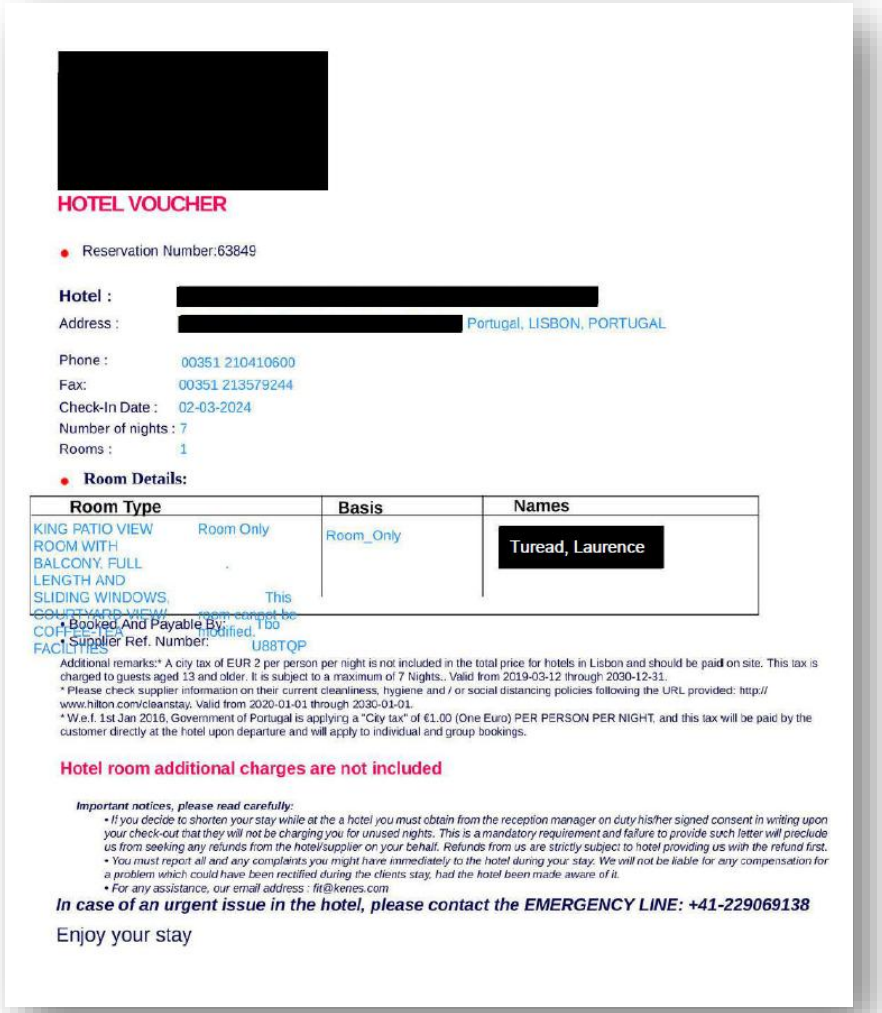
- Mr. T's hotel accommodation was 1 hour away from UNR

★ University of Nevada, Reno

★ Caesar's Republic Lake Tahoe



Pretense in Portugal



[redacted]

HOTEL VOUCHER

- Reservation Number:63849

Hotel : [redacted]

Address : [redacted] Portugal, LISBON, PORTUGAL

Phone : 00351 210410600
Fax: 00351 213579244
Check-In Date : 02-03-2024
Number of nights : 7
Rooms : 1

- **Room Details:**

Room Type	Basis	Names
KING PATIO VIEW ROOM WITH BALCONY. FULL LENGTH AND SLIDING WINDOWS. COURTYARD VIEW. COFFEE / TEA FACILITIES	Room Only	Turead, Laurence

- Booked And Payable By: This room cannot be modified. Too
- Supplier Ref. Number: U88TQP

Additional remarks:* A city tax of EUR 2 per person per night is not included in the total price for hotels in Lisbon and should be paid on site. This tax is charged to guests aged 13 and older. It is subject to a maximum of 7 Nights.. Valid from 2019-03-12 through 2030-12-31.
* Please check supplier information on their current cleanliness, hygiene and / or social distancing policies following the URL provided: http://www.hilton.com/cleanstay. Valid from 2020-01-01 through 2030-01-01.
* W.e.f. 1st Jan 2016, Government of Portugal is applying a "City tax" of €1.00 (One Euro) PER PERSON PER NIGHT, and this tax will be paid by the customer directly at the hotel upon departure and will apply to individual and group bookings.

Hotel room additional charges are not included

Important notices, please read carefully:

- *If you decide to shorten your stay while at the a hotel you must obtain from the reception manager on duty his/her signed consent in writing upon your check-out that they will not be charging you for unused nights. This is a mandatory requirement and failure to provide such letter will preclude us from seeking any refunds from the hotel/supplier on your behalf. Refunds from us are strictly subject to hotel providing us with the refund first.*
- *You must report all and any complaints you might have immediately to the hotel during your stay. We will not be liable for any compensation for a problem which could have been rectified during the clients stay, had the hotel been made aware of it.*
- *For any assistance, our email address : fit@kenes.com*

In case of an urgent issue in the hotel, please contact the EMERGENCY LINE: +41-229069138

Enjoy your stay



[redacted]

td

Admin. & Tech. Offices:

[redacted]

[redacted]

RECEIPT 1055400

Received from	[redacted]
For Pnr number	1BYL2DL
	1835.300 EUR

Details

No.	Amount	Due date	Form of payment	
1	1,835.30 EUR	12-02-2024	Credit card	MASTERCARD

Credit Card

Company	MASTERCARD
Author. number	9SW32fbG7QvvtAK6O3G4AbYp33Gb
Issued	DATE 05-02-2024 21:07:01

Remarks

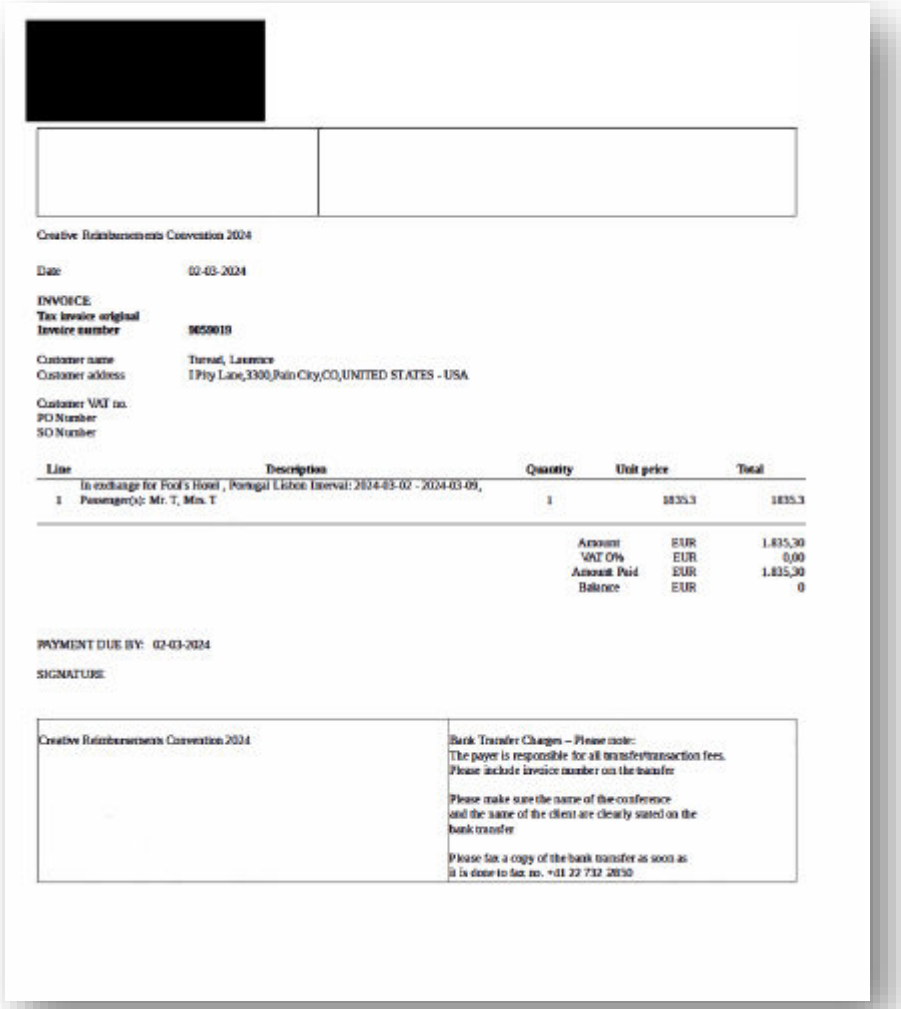
ADPD 2024

EUR Euro — 1,835.3 — EUR IDR AUD BTC

USD US Dollar — 1,979.33 — USD EUR CAD ETH

Date 12 February 2024 — Preview interbank rate +/- 0%

Received from Vendor



[redacted]

Creative Reimbursements Convention 2024

Date 02-03-2024

INVOICE
Tax invoice original
Invoice number **9059019**

Customer name Turead, Laurence
Customer address I Pity Lane,3300,Pain City,CO,UNITED STATES - USA

Customer VAT no.
PO Number
SO Number

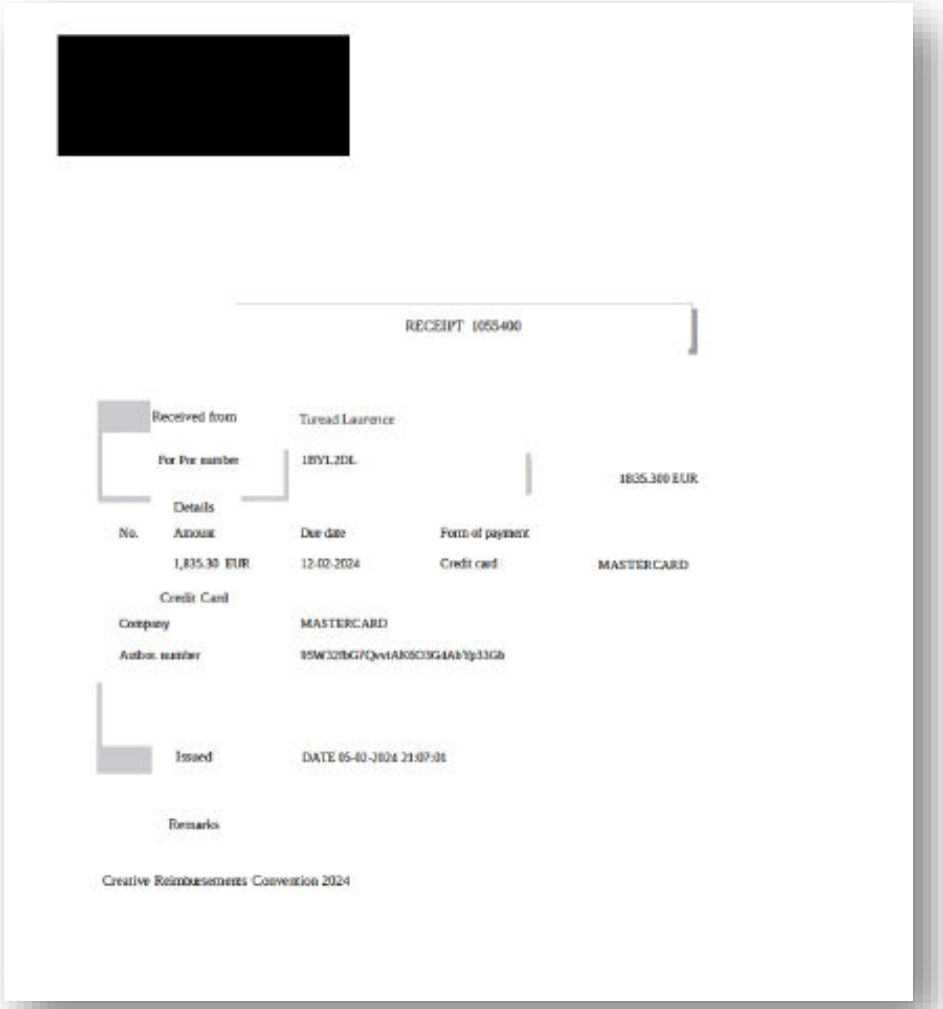
Line	Description	Quantity	Unit price	Total
1	In exchange for Fool's Hotel , Portugal Lisbon Interval: 2024-03-02 - 2024-03-09, Passenger(s): Mr. T, Mrs. T	1	1835.3	1835.3

Amount	EUR	1.835,30
VAT 0%	EUR	0,00
Amount Paid	EUR	1.835,30
Balance	EUR	0

PAYMENT DUE BY: 02-03-2024

SIGNATURE

Creative Reimbursements Convention 2024	Bank Transfer Charges – Please note: The payer is responsible for all transfer/transaction fees. Please include invoice number on the transfer Please make sure the name of the conference and the name of the client are clearly stated on the bank transfer Please fax a copy of the bank transfer as soon as it is done to fax no. +41 22 732 2850



[redacted]

RECEIPT 1055400

Received from Turead Laurence

For Pnr number 1BYL2DL

1835.300 EUR

Details

No.	Amount	Due date	Form of payment	
	1,835.30 EUR	12-02-2024	Credit card	MASTERCARD

Credit Card

Company MASTERCARD

Author. number 95W32fbG7QvvtAK8O3G4AbYp33Gb

Issued DATE 05-02-2024 21:07:01

Remarks

Creative Reimbursements Convention 2024

- **Room Details:**

Room Type	Basis	Names
KING PATIO VIEW ROOM WITH BALCONY, FULL LENGTH AND SLIDING WINDOWS, COURTYARD VIEW, COFFEE-TEA FACILITIES Room Only	Room_Only	Turead, Laurence

This room cannot be modified.

- Booked And Payable By: Tbo
- Supplier Ref. Number: U88TQP

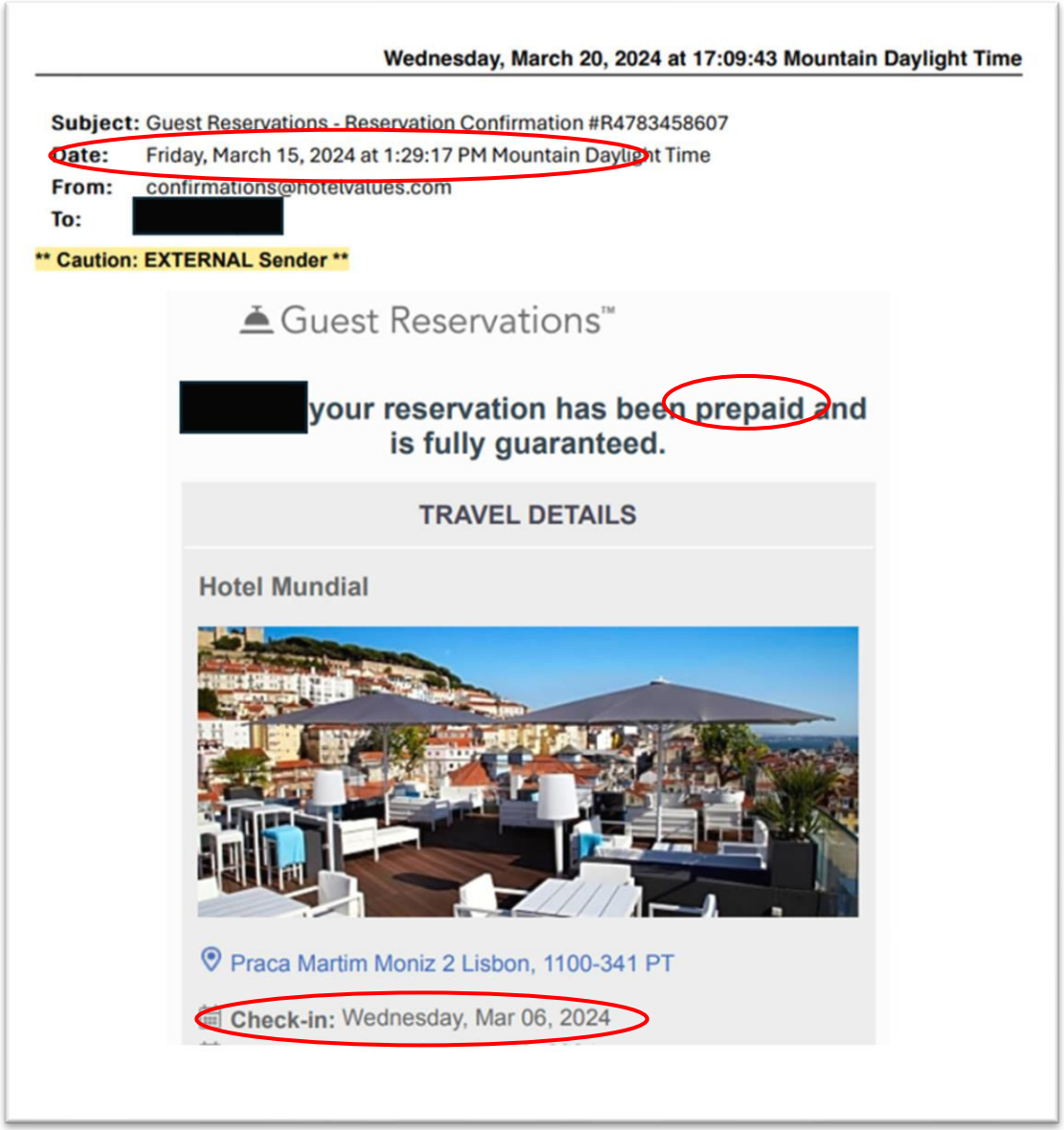
Additional remarks:* A city tax of EUR 2 per person per night is not included in the total price for hotels in Lisbon and should be paid on site. This tax is charged to guests aged 13 and older. It is subject to a maximum of 7 Nights.. Valid from 2019-03-12 through 2030-12-31.

Line	Description	Quantity	Unit price	Total
1	In exchange for Fool's Hotel , Portugal Lisbon Interval: 2024-03-02 - 2024-03-09, Passenger(s): Mr. T, Mrs. T	1	1835.3	1835.3

Amount	EUR	1.835,30
VAT 0%	EUR	0,00
Amount Paid	EUR	1.835,30
Balance	EUR	0

Pretense in Portugal

- Mr. T sent an email to “Howling Mad” Murdoch requesting permission to reserve a second hotel accommodation
- He claimed his first hotel was “further from the conference than expected” and the second hotel was “MUCH closer”



Wednesday, March 20, 2024 at 17:09:43 Mountain Daylight Time

Subject: Guest Reservations - Reservation Confirmation #R4783458607
Date: Friday, March 15, 2024 at 1:29:17 PM Mountain Daylight Time
From: confirmations@hotelvalues.com
To: [redacted]

** Caution: EXTERNAL Sender **

Guest Reservations™

[redacted] your reservation has been prepaid and is fully guaranteed.

TRAVEL DETAILS

Hotel Mundial

Praca Martim Moniz 2 Lisbon, 1100-341 PT

Check-in: Wednesday, Mar 06, 2024

Pretense in Portugal

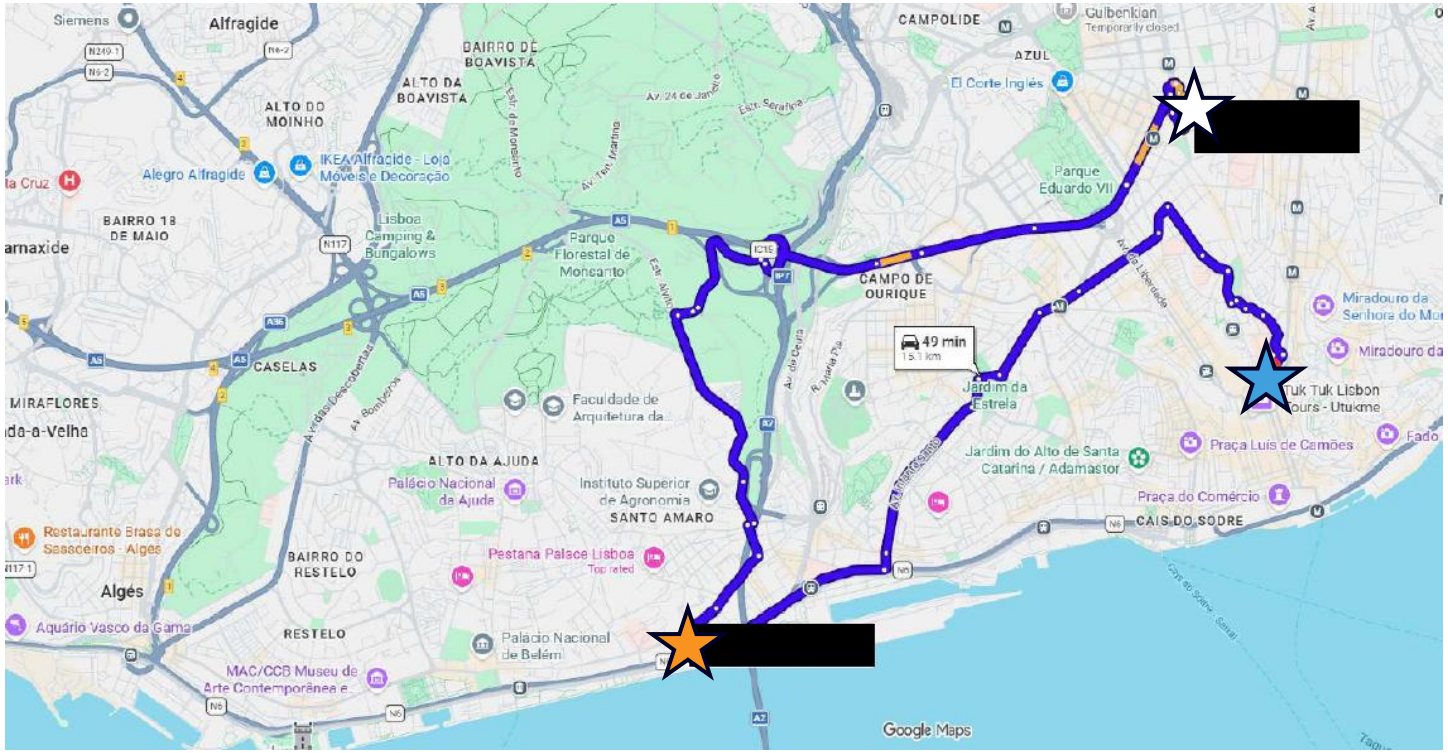
Distance from first hotel to conference center: 5.6 km

Distance from second hotel to conference center: 6.7 km

☆ First Hotel

★ Second Hotel

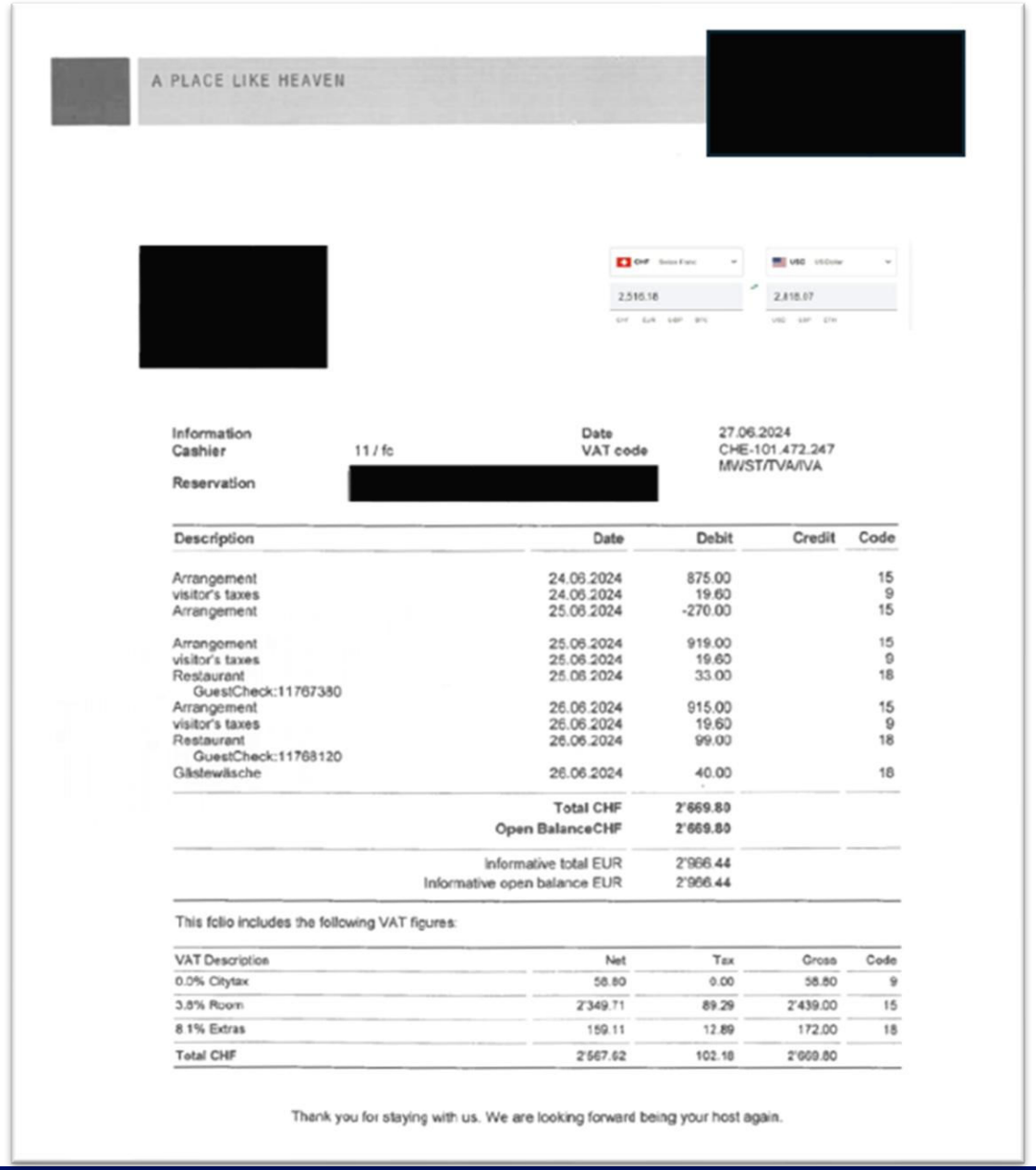
★ Conference Center



Something Shady in Switzerland

Anomalies:

- The nightly rate changed from CHF 875 to CHF 919
- Number of guests isn't specified
- No description of unit size
- No folio number



A PLACE LIKE HEAVEN [redacted]

[redacted]

Information		Date	27.06.2024
Cashier	11 / fc	VAT code	CHE-101.472.247 MWST/TVA/IVA
Reservation	[redacted]		

Description	Date	Debit	Credit	Code
Arrangement	24.06.2024	875.00		15
visitor's taxes	24.06.2024	19.60		9
Arrangement	25.06.2024	-270.00		15
Arrangement	25.06.2024	919.00		15
visitor's taxes	25.06.2024	19.60		9
Restaurant GuestCheck:11767380	25.06.2024	33.00		18
Arrangement	26.06.2024	915.00		15
visitor's taxes	26.06.2024	19.60		9
Restaurant GuestCheck:11768120	26.06.2024	99.00		18
Gästewäsche	26.06.2024	40.00		18
	Total CHF	2'669.80		
	Open BalanceCHF	2'669.80		
	Informative total EUR	2'966.44		
	Informative open balance EUR	2'966.44		

This folio includes the following VAT figures:

VAT Description	Net	Tax	Gross	Code
0.0% Citytax	58.80	0.00	58.80	9
3.8% Room	2'349.71	89.29	2'439.00	15
8.1% Extras	159.11	12.89	172.00	18
Total CHF	2'567.62	102.18	2'669.80	

Thank you for staying with us. We are looking forward being your host again.

Something Shady in Switzerland

- Mr. T claimed to be traveling to attend the Pity Conference for fool's disease
- IA could not locate a registration expense on Mr. T's PCard



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Something Shady in Switzerland

- The Pity Research Center (PRC) hosts a biannual Fool's Disease Conference
- Per Pity Research Center's website, the last Fool's Disease conference was hosted in Switzerland in 2023
- There was no PRC Fool's Disease Conference in 2024



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Something Shady in Switzerland

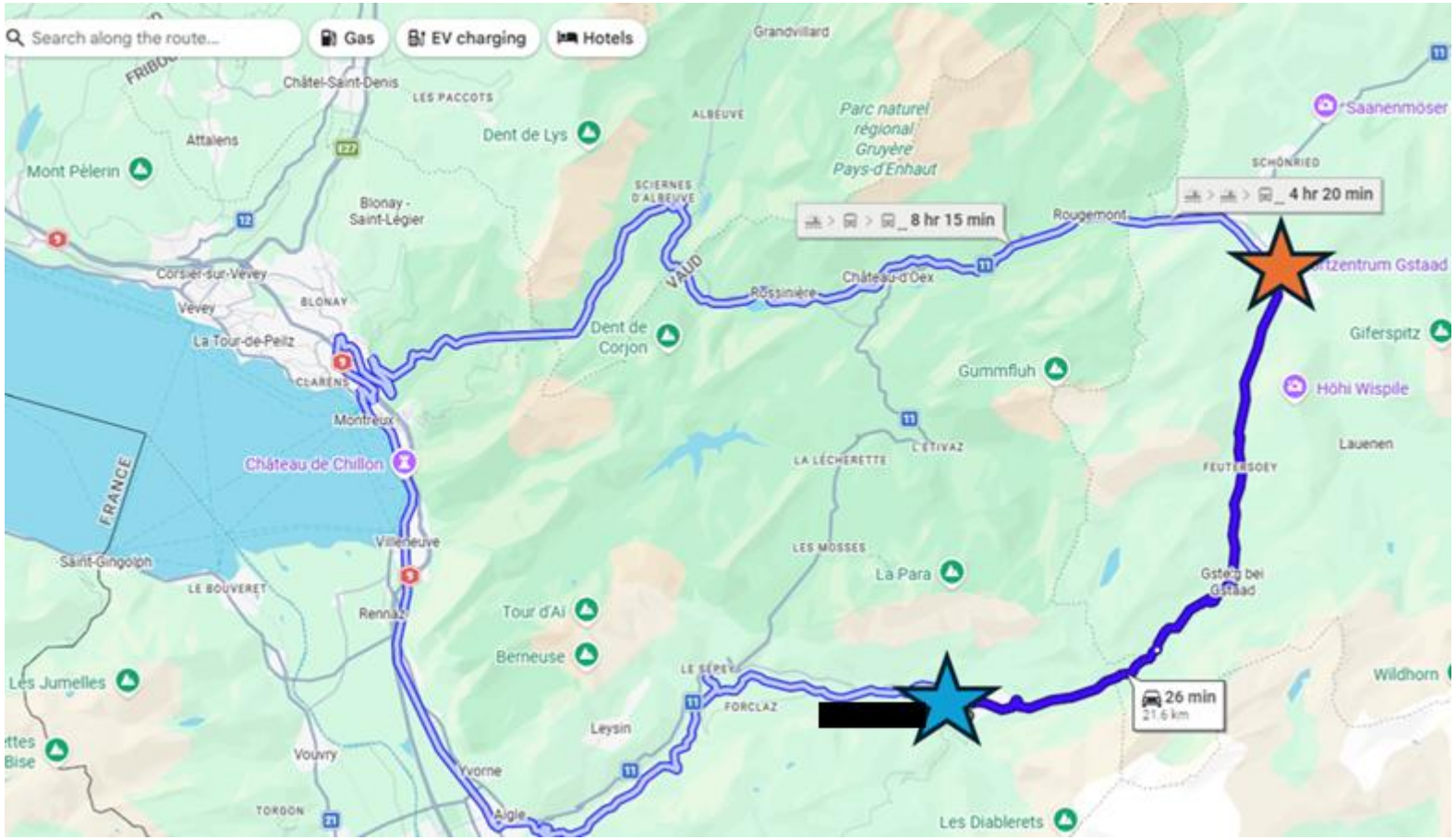
- IA was able to find a different Pity Research Center conference that aligned with Mr. T's travel
  - Wellness for the Unwise Conference
  - IA contacted the Pity Research Center to confirm Mr. T's attendance

PRC reviewed Mr. T's records…which identified him as waitlisted for the event. He did NOT attend



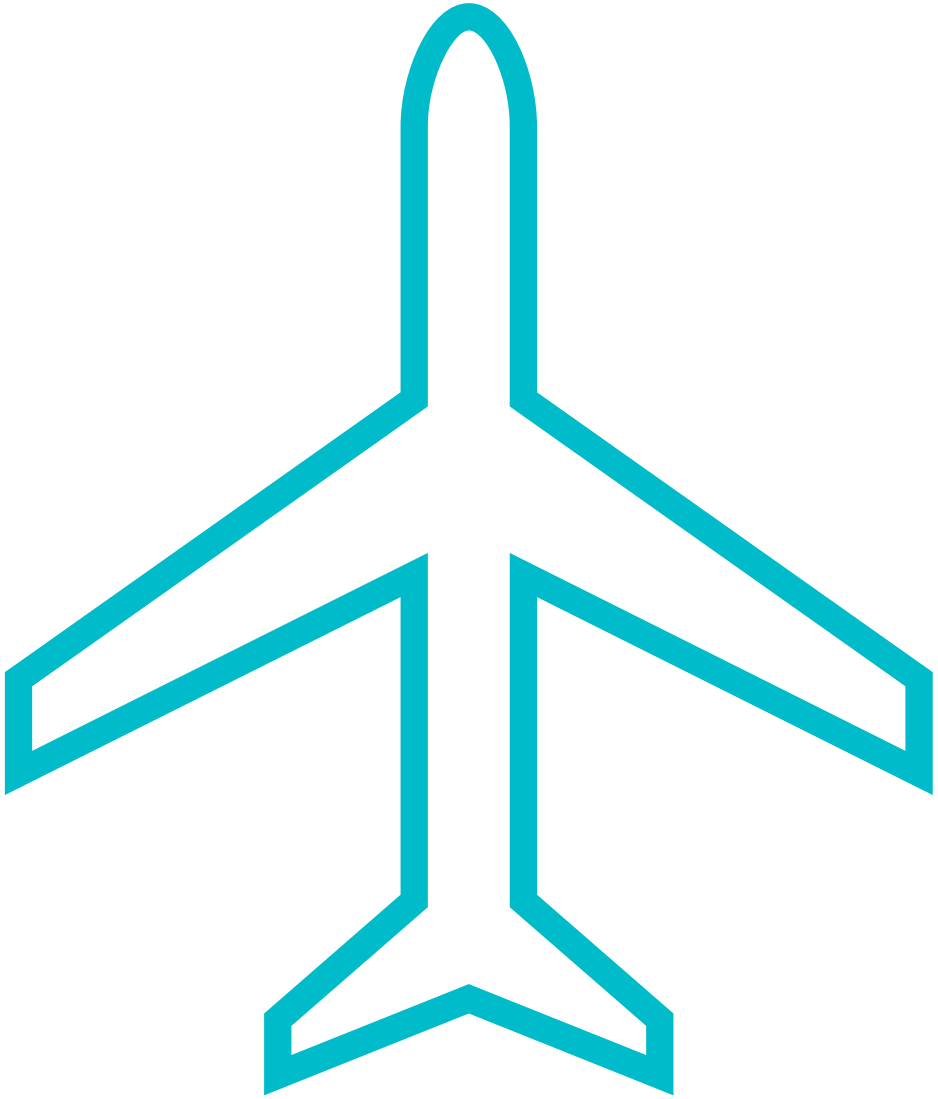
Something Shady in Switzerland

- Mr. T stayed in two separate hotels during his trip
- The A Team hotel (orange star) was about 30 minutes away from the Pity Conference venue (blue star)



Something Shady in Switzerland

- Mr. T claimed that he had an early morning flight home and he needed to stay in a separate hotel for the final night of his Switzerland trip
- His departing flight was at 1:15 in the afternoon



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- Per Mr. T's
  the Zurich


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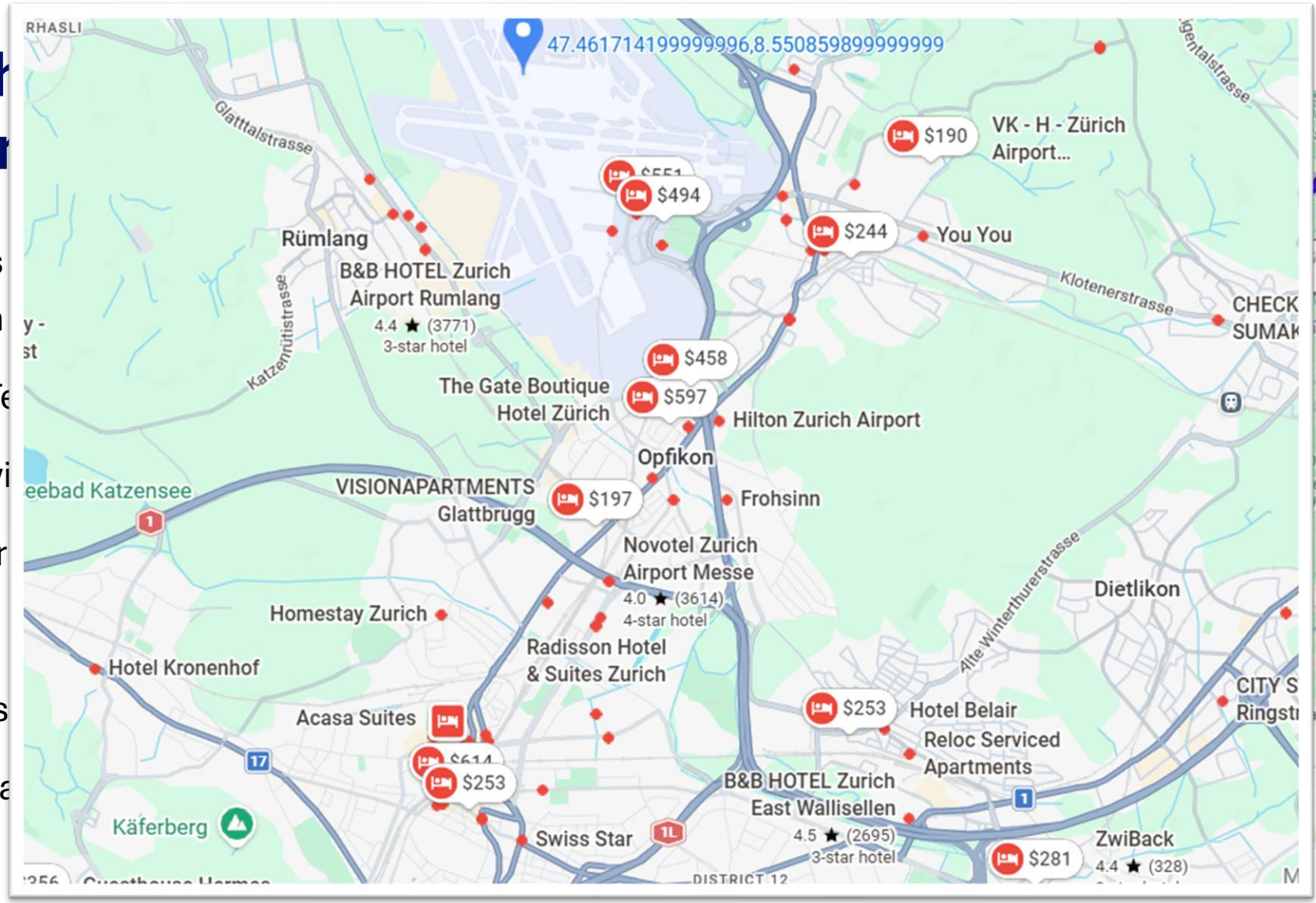




Google

Mercedes V Class 7 pax or similar

AI Mode | All | Images | Shopping | Videos | Short videos | Forums | More

 Vito

 Car

 Mercedes vito van

 Car rental

 Mercedes van

 Benz vito



Limousine Italy

Mercedes Benz V Class - Limousine Italy



Limousine Italy

Mercedes Benz V Class - Limousine Italy



TG Top Gear

Mercedes-Benz V-Class Review 2026 | Top ...

Auto Europe voucher number	US6243089-1	EUROPCAR reservation number	[redacted]

auto europe

43 Northport Drive
Portland, ME 04103

TEL: (207) 842-2000
RESERVATIONS:
1-800-223-5555

54891661084

LVBR Basic Rental -
Insurance Optional
Mercedes V Class 7 pax or similar
Luxury Van
Auto 4WD
With A/C

Rental Period
10 days incl. sales tax
Rate Code: 50372044
Business Account: 89512453
Flight Info: WI 00

Currency	USD
Rate	2768.98
Less Discount Of	461.31
Special Charges	.00
Return Fee	.00
Adjusted Total	2307.67
Required Payment	2307.67
Paid As Of 20-May-2024	2307.67
Balance Due on Delivery	.00

Excluding local fees listed below

Driver Information

[redacted]
Passengers: 5

Pick-up information

Rental Company:
EUROPCAR

ZURICH AIRPORT
** DESK IN TERMINAL **
Tel: 41 43 2555656
Fax: 41 43 2555657

OPEN Mondays-Sundays 06:30 AM-11:30 PM

CH
ZRHT01
18-Jun-24
12:10 PM

Drop-off information

Rental Company:
EUROPCAR

ZURICH AIRPORT
** DESK IN TERMINAL **
Tel: 41 43 2555656
Fax: 41 43 2555657

OPEN Mondays-Sundays 06:30 AM-11:30 PM

CH
ZRHT01
28-Jun-24
12:00 PM

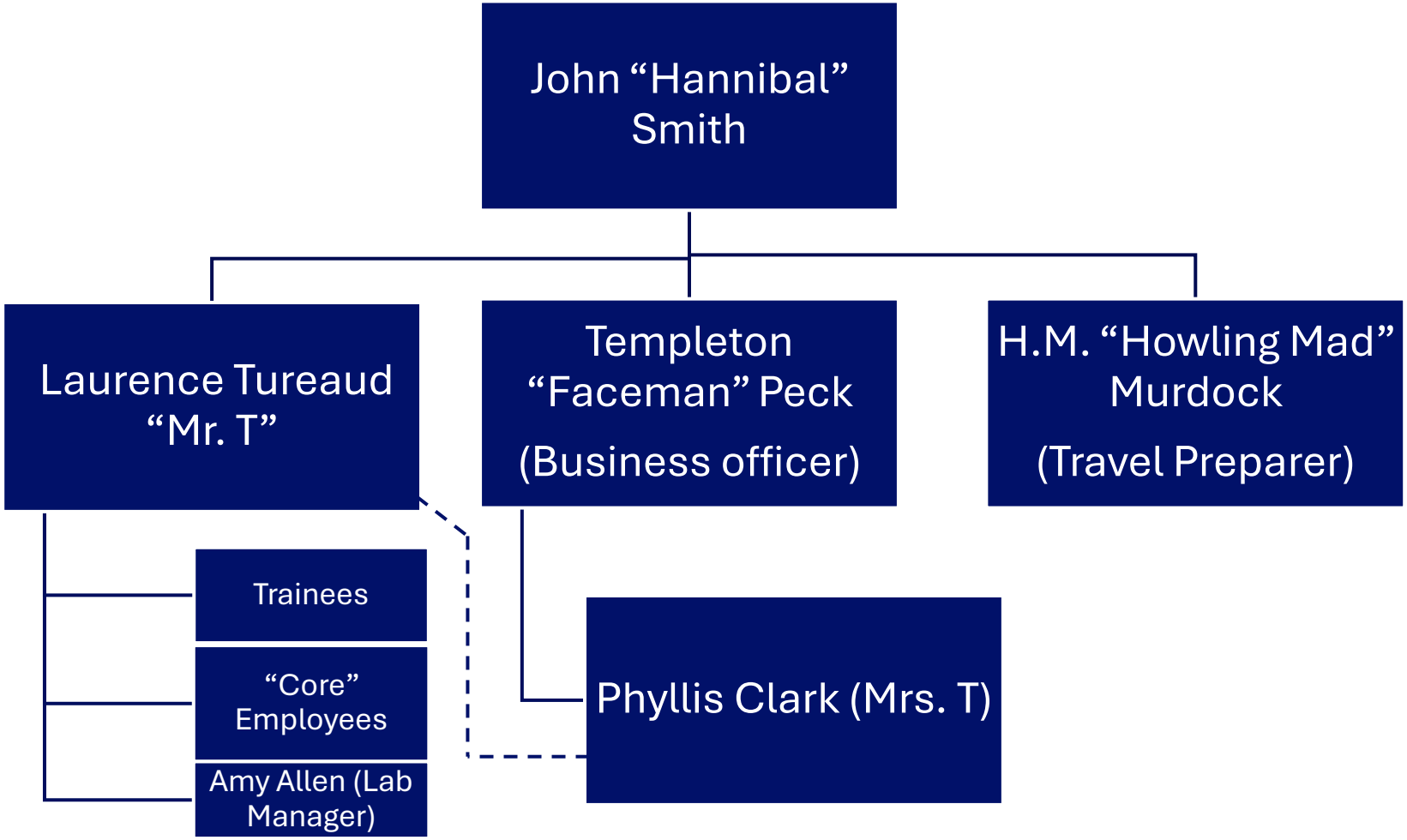
Employment of Spouse



Mrs. T – Part Time Lab Assistant

- Main Job Duties:
  - Doing all ordering for Mr. T's lab
  - Working with vertebrates in Mr. T's lab

- Second job not at University:
  - Public-facing job *not* in a lab
  - Background seemed to indicate no knowledge necessary to perform job duties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H.M. “Howling Mad” Murdock
(Travel Preparer)
Trainees
“Core” Employees
Amy Allen (Lab Manager)
Phyllis Clark (Mrs. T)

The A-Team

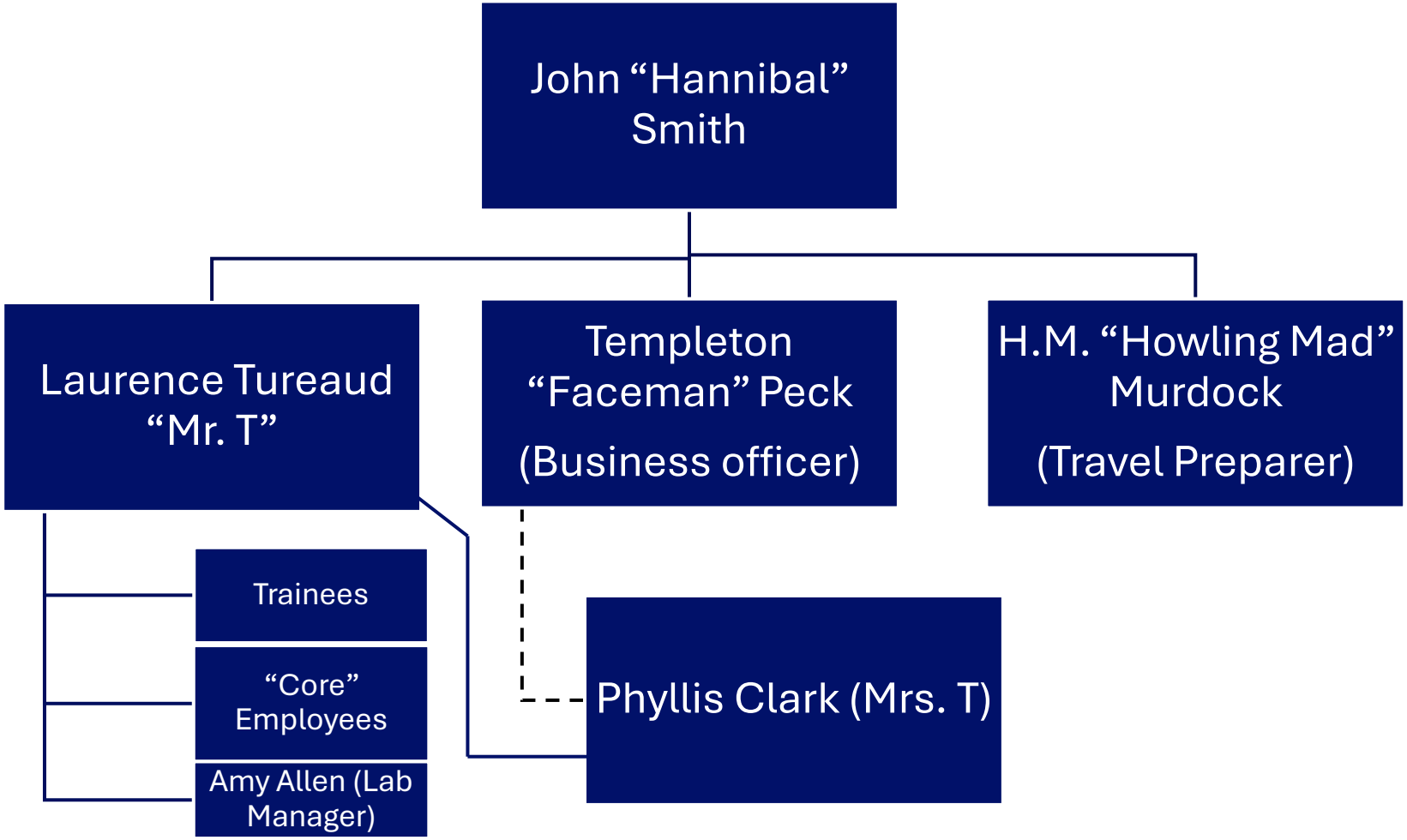
What Did We Do?



HOW CAN YOU PROVE
SOMEONE DID NOT DO A JOB?

Interview – Business Officer

- Faceman (Direct Supervisor)
  - Never actually supervised Mrs. T
  - Relied entirely on Mr. T for supervision
  - Only supervisor on paper
  - Should have been Hannibal, but he didn’t want to do it


John “Hannibal” Smith
Laurence Tureaud “Mr. T”
Templeton “Faceman” Peck
(Business officer)
H.M. “Howling Mad” Murdock
(Travel Preparer)
Trainees
“Core” Employees
Amy Allen (Lab Manager)
Phyllis Clark (Mrs. T)

The A-Team

Interview – Lab Manager

- Amy Allen “AAA”
  - Amy did all ordering
  - Has been doing all ordering since starting
  - Had no idea Mrs. T “worked” in the lab
  - No admin staff should work with vertebrates



Interview – Trainees/ “Core” Employees

- Trainees
  - Amy did all ordering
  - Had no idea Mrs. T “worked” in the lab
  - No admin staff should work with vertebrates

- “Core” Employees
  - Believed Mrs. T used to do ordering, but hasn’t since Amy started
  - Thought with Amy’s hire, Mrs. T resigned
  - No admin staff should work with vertebrates

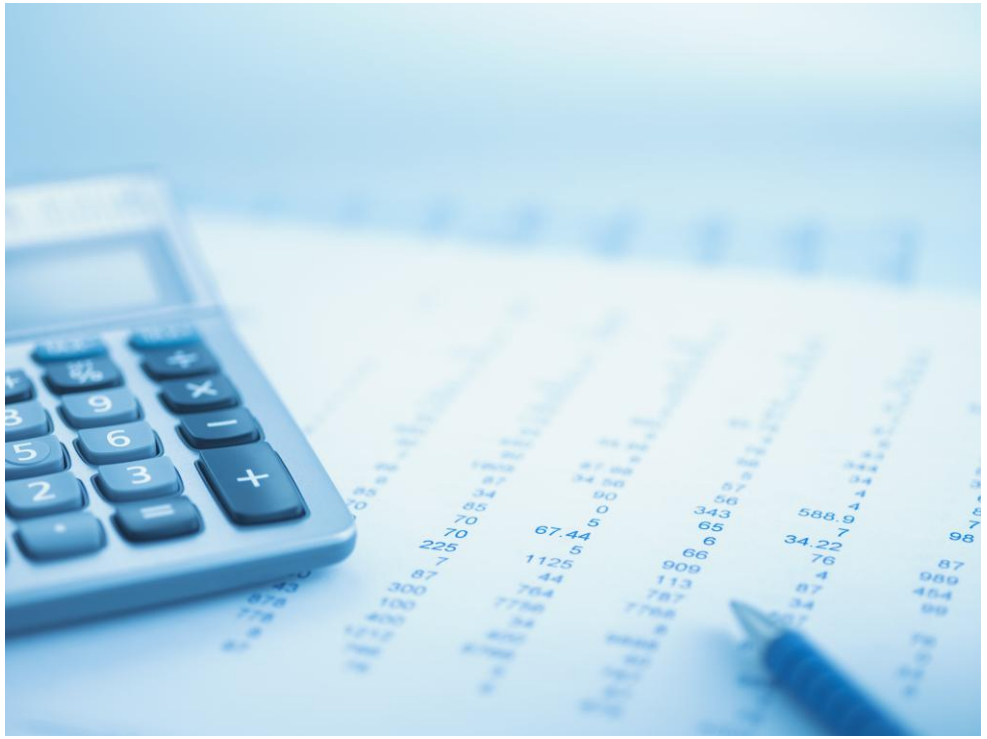
Vertebrate Concerns

- Why was an admin staff working with vertebrates?
- Sponsored Programs Office
- Training required



Job Duty Review

- “All” of the ordering for Mr. T’s lab
  - Reviewed activity in financial system
- Reviewed records for Vertebrate Office





Conclusion – Employment

- Determined it appeared Mrs. T “has done no work since hiring of Amy”
- Salary paid during this time: ~$108,000
- Fringe paid during this time: ~$15,000
- Total loss: ~$123,000



Sponsored Programs Discussion

Reporting Travel Findings – Post-Award



- Will need to report to sponsor
- Will likely have to pay back funds
- May be able to recoup from Mr. T

Reporting COI Findings – COI Team

- Concerns about effort certification, if paid on grant
- Concerns about job responsibilities (vertebrates)



Internal Control Failures & Recommendations

Interactive Component – Break into same groups as before

Based on what you've seen, what are your Internal Control Recommendations?

What Control Failures We Noted

- Travel
  - Students preparing travel
  - Supervisor only approving authorizations not reimbursements
  - Travel Office approved all TRs
  - Recommendation to change workflow

- Employment of Spouse
  - Followed policy to the letter
  - Happened because people feared standing up to Mr. T
  - No recommendation made

Thanks for attending!

- Robb Hartman
  - robb.hartman@colostate.edu

Questions?

- Rose Huskerson
  - rose.huskerson@colostate.edu