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NEWS RELEASE

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FOR RELEASE

June 2, 2021

Auditor of State Rob Sand today released a report on a special investigation of the Civil Commitment Unit for Sexual Offenders (CCUSO) for the period August 1, 2019, through February 28, 2021. CCUSO is operated by the Division of Mental Health and Disability Services within the Department of Human Services (DHS) and is located on the campus of the Cherokee Mental Health Institute. CCUSO houses sexually violent predators from all ninety-nine Iowa counties.

The special investigation was requested by CCUSO and DHS officials as a result of alleged improprieties regarding actions taken by a former administrative assistant, Renae Rapp, which resulted in unauthorized payroll disbursements to her husband. Ms. Rapp's husband was also previously employed by CCUSO.

Sand reported the special investigation identified \$61,610.66 of improper disbursements, including \$52,618.19 of gross wages paid to Ms. Rapp's husband and \$8,992.47 of related payroll costs. The excess pay and benefits were a result of Ms. Rapp using her husband's key fob and making manual adjustments to the payroll system to show he worked when he did not. The improper pay was electronically deposited to a bank account Ms. Rapp shares with her husband.

Sand recommended CCUSO officials implement procedures to ensure information recorded in the time keeping system is verified and accurate and adjustments to it are properly monitored. Sand also recommended CCUSO officials implement procedures to ensure compliance with requirements established by the Code of Iowa.

Copies of this report have been filed with the Iowa Division of Criminal Investigation, the Cherokee County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

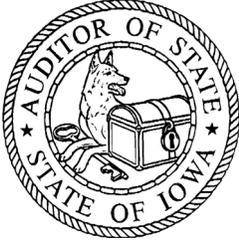
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**REPORT ON SPECIAL INVESTIGATION OF THE
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND DISABILITY SERVICES
CIVIL COMMITMENT UNIT FOR SEXUAL OFFENDERS**

**FOR THE PERIOD
AUGUST 1, 2019 THROUGH FEBRUARY 28, 2021**

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Auditor of State's Report

To Cory Turner, CCUSO Facility Administrator, and
Kelly Garcia, Director of the Department of Human Services:

As a result of alleged improprieties regarding actions taken by a former administrative assistant, Renae Rapp, which resulted in unauthorized payroll disbursements to her spouse, Adam Rapp, and at your request, we have conducted a special investigation of the Civil Commitment Unit for Sexual Offenders (CCUSO). We have applied certain tests and procedures to selected financial transactions of CCUSO for the period August 1, 2019 through February 28, 2021 unless otherwise specified. Based on a review of relevant information and discussions with CCUSO officials and personnel, we performed the following procedures.

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Examined Mr. Rapp's electronic time and attendance records (timesheets) to determine the number of hours recorded for each day within a pay period for the period January 1, 2018 through February 5, 2021.
- (3) Compared Mr. Rapp's timesheets to schedules and rosters which documented the days Mr. Rapp was to work and actually worked, respectively, to identify periods for which he improperly received compensation.
- (4) Examined Ms. Rapp's electronic time and attendance records (timesheets) for the periods January 1, 2018 through June 30, 2019 and August 23, 2019 through February 28, 2021 to identify any irregularities or commonalities with time recorded for Mr. Rapp during the same day.
- (5) Evaluated risk for potential misstatement of other employees' recorded time, including Ms. Rapp and another family member.

These procedures identified \$61,610.66 of improper disbursements. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** and **B** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Copies of this report have been filed with the Division of Criminal Investigation, the Cherokee County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance extended to us by officials and personnel of the Civil Commitment Unit for Sexual Offenders and the Department of Human Services during the course of our investigation.

ROB SAND
Auditor of State

May 6, 2021

Department of Human Services
Division of Mental Health and Disability Services
Civil Commitment Unit for Sexual Offenders

Investigative Summary

Background Information

The Civil Commitment Unit for Sexual Offenders (CCUSO) was established at the Iowa Medical and Classification Center at Oakdale in 1998 but was relocated to the Department of Human Services (DHS) Cherokee Mental Health Institute (MHI) campus in 2003. CCUSO is operated by the Division of Mental Health and Disability Services within the Department of Human Services (DHS). The individuals committed to CCUSO have served their prison sentences but in a separate civil trial have been found likely to reoffend. CCUSO provides secure, long-term treatment for violent sexual predators and serves predators from all ninety-nine Iowa counties.

Renaë Rapp began employment with CCUSO in April 2012 as a temporary Psychiatric Security Specialist (PSS) and subsequently became a full-time PSS in October 2012. Routine duties of PSSs include, but are not limited to day to day supervision of various patient activities, facilitation of psycho-educational group activities, documentation of patient behaviors, operations of the master control center, and escort and supervision of patients on medical trips outside the facility.

Ms. Rapp changed positions within CCUSO to become an Administrative Assistant in 2015. As an Administrative Assistant, Ms. Rapp was responsible for:

- maintenance of employee time and attendance information in an electronic system known as KRONOS;
- providing training to the Treatment Program Supervisors (TPSS) on KRONOS software, including how to fix entries recorded in the software, add lines, and codes for employees; and
- maintenance of the staff scheduling based on directives from various supervisors.

According to CCUSO officials, KRONOS is software that provides electronic recording of time and attendance information for payroll purposes. There are four KRONOS kiosks located on the Cherokee MHI campus where employees use their assigned key fob to clock in their arrival and departure time for each day of work. At the end of each pay period, employees access their KRONOS timesheet using a kiosk or by logging into the system from a computer to review and approve the hours reported based on the check ins and check outs recorded at the kiosks. After employees electronically approve their timesheets, the timesheets are reviewed and electronically approved by CCUSO supervisors

Because Ms. Rapp was responsible for maintenance of information in KRONOS, her duties included reviewing the time and attendance function to ensure employees' time was recorded, collecting employee leave slips, and submitting timesheets for supervisory approval. In addition, Ms. Rapp was able to see and edit employees' timesheets which included adding a start/end time to the software records in the event an employee forgot to clock in or out for their shift.

Ms. Rapp's spouse, Adam Rapp, was also employed at CCUSO. After having resigned as a full-time PSS in June 2019, Mr. Rapp began employment on August 23, 2019 as a temporary PSS. As a temporary PSS, Mr. Rapp was responsible for transporting residents to and from appointments or various locations when he was scheduled to work.

In January 2021, a supervisor reviewing a timesheet for Mr. Rapp noticed there was a significant number of hours recorded for him. The supervisor consulted with CCUSO officials and other supervisors to discuss the reasonableness of the hours; however, no one was able to verify Mr. Rapp

worked the hours recorded for the pay period. CCUSO supervisors reviewed time records for previous pay periods and determined they also included a significant number of hours worked.

CCUSO officials reviewed footage from cameras covering KRONOS kiosks and determined Ms. Rapp had clocked Mr. Rapp in and out using his key fob on days which he did not work. They also identified a number of manual entries in Mr. Rapp’s time records which were recorded by Ms. Rapp. On February 5, 2021, after reviewing the footage from the camera and manual entries, CCUSO officials placed Ms. Rapp on paid administrative leave.

CCUSO officials continued their internal review and subsequently met with Ms. Rapp on February 18, 2021 to discuss the footage of the kiosks and the manual entries. On February 23, 2021, she resigned as Administrative Assistant. Mr. Rapp’s employment as a temporary PSS was terminated on February 19, 2021.

As a result of the concerns identified and after meeting with Ms. Rapp, CCUSO and DHS officials requested the Office of Auditor of State review payments for wages processed at CCUSO. We performed the procedures detailed in the Auditor of State’s Report for the period August 1, 2019 through February 28, 2021.

Detailed Findings

The procedures performed identified \$61,610.66 of improper disbursements for the period of August 1, 2019 through February 28, 2021. The improper disbursements identified are summarized in **Table 1**.

Table 1	
Description	Improper Disbursements
Excess gross wages to Adam Rapp	\$ 52,618.19
Employer’s Share of Payroll Costs:	
IPERS	4,967.15
FICA	4,025.32
Total	\$ 61,610.66

CCUSO officials met with Ms. Rapp on February 18, 2021 to discuss her responsibilities and access to data within KRONOS and the entries recorded in KRONOS for Mr. Rapp. Ms. Rapp provided a description of her access and information regarding entries recorded in KRONOS for Mr. Rapp.

We contacted Ms. Rapp and requested a meeting with her to obtain and understanding of her job duties and certain entries she made in the KRONOS system. However, Ms. Rapp declined to meet with us.

A more detailed explanation of the findings identified and information Ms. Rapp provided to CCUSO officials during the meeting held in February 2021 are described in the following paragraphs of this report.

IMPROPER DISBURSEMENTS

As previously stated, Ms. Rapp was responsible for certain payroll duties, including the time and attendance function of KRONOS, employee leave slip collection, and submission of timesheets for supervisory approval. Specifically, leave slips were to be submitted to Ms. Rapp and she was to electronically forward them to the appropriate supervisor. She accounted for the leave on the employee schedules and manually recorded the approved leave to the employees’ timesheets in

KRONOS. In addition, Ms. Rapp was able to enter any missing arrival and departure entries in KRONOS and was authorized to do so in the event an employee forgot to swipe their key fob.

Pay periods end on Thursdays every two weeks. At the end of each pay period, the timesheets compiled by KRONOS were to be reviewed for accuracy and completeness by TPSs and electronically approved. If a TPS identified a missing time in or out for an employee, the TPS had the ability to add the missing time to KRONOS or delegate that duty to Ms. Rapp. According to a CCUSO official, the number of hours worked each day as recorded in KRONOS is electronically uploaded to the statewide payroll system at approximately 10:00 AM on the Friday following the end of each pay period. All timesheets are to be reviewed and approved prior to the upload and any corrections should be made prior to that time. While Ms. Rapp was authorized to enter missing arrival and departure entries in KRONOS if an employee forgot to swipe their key fob, CCUSO officials identified unusual manual entries Ms. Rapp made to KRONOS information for her husband. They also determined she clocked Mr. Rapp in and out using his key fob for days which he did not work by reviewing camera footage of the KRONOS kiosks.

Also as previously stated, CCUSO officials met with Ms. Rapp to discuss the entries recorded in KRONOS for Mr. Rapp. During the meeting, CCUSO officials asked Ms. Rapp if she has ever used someone else's key fob to punch them in or out at a Kronos portal when they knew they were not at CCUSO to work scheduled hours. Ms. Rapp answered "yes, my husband[']s." In addition, Ms. Rapp reported she would punch him out 3 PM – 7 AM, the time she leaves for the day and returns the next day. Ms. Rapp also reported she manually changed Mr. Rapp's in/out times recorded on KRONOS. When asked how she would explain the improper entries in KRONOS for Mr. Rapp, she answered she had no explanation, that she was "just trying to make ends meet" for her family.

When KRONOS records information, it specifies the device from which timed entries are recorded, such as which specific kiosk where a key fob is used or the IP address of the computer from which a manual entry is made. Information from KRONOS documents the manual entries to Mr. Rapp's time records were made using the computer assigned to Ms. Rapp.

Ms. Rapp also reported during the meeting with CCUSO officials that she and her husband's payroll amounts were electronically deposited to the same joint bank account. She stated she was the only one that handled the activity in the shared bank account and that Mr. Rapp would not have "any idea what was in that account." She also stated he wouldn't be aware of the deposits in the joint account.

She also reported during the meeting she electronically applied the employee approval to Mr. Rapp's timesheets and to some of his brother's timesheets who was also employed at CCUSO as a TPS. CCUSO officials examined TPS Rapp's payroll information and did not identify any irregularities. We also reviewed TPS Rapp's payroll information and did not identify any concerns. CCUSO officials confirmed with TPS Rapp he had requested Ms. Rapp apply the employee approval to his timesheets on two occasions but he had subsequently changed his password. Because TPS Rapp is a salaried employee, his biweekly pay amount is not dependent on the number of hours recorded in KRONOS for him.

According to a CCUSO official we spoke with, six TPSs are employed by CCUSO and are responsible for supervising over 100 PSSs. TPSs and PSSs work varied shifts during the 24/7 operations of the facility. The CCUSO official also reported employee schedules are used to list the employees assigned to work each shift at CCUSO. Ms. Rapp was responsible for collaborating with the TPSs to prepare and update the schedules as needed. She was responsible for adjusting the schedules based on employee leave and absences and when she was not working TPSs updated the schedule information as needed. The schedules are available for all employees to view, but changes could only be made by Ms. Rapp and the TPSs.

A CCUSO official also reported rosters are maintained by TPSs. The rosters provide information regarding the employees for each shift and their work location. In addition to identifying the unit where each employee was assigned, they identify the responsibilities each employee has for the designated shift. The assignments are made by the TPSs. According to discussions with CCUSO officials, the schedules are kept up-to-date to reflect the day-to-day changes in staffing. In addition, CCUSO officials stated the rosters may not always reflect staffing changes. As a result, the schedules are a more reliable source of information regarding who actually worked specific shifts and days.

As part of the internal review performed by CCUSO officials, they compared information recorded in KRONOS for Mr. Rapp to the staff schedule and the rosters. This comparison identified days for which Mr. Rapp was paid but did not work at CCUSO. According to the internal review, CCUSO officials identified 1,745.25 of unverified hours and 150.75 hours of verified hours. CCUSO officials also reviewed information from KRONOS for Ms. Rapp and Mr. Rapp to determine if there was any correlation between their shifts and the punches recorded in KRONOS and identified instances for which Ms. Rapp's time in/out matched the time Mr. Rapp was recorded as in/out in KRONOS.

Mr. Rapp's Employment from August 2019 through February 2021 – Using information from the payroll system for all state employees, we determined 1,896 of hours of work was reported for Mr. Rapp for the period August 23, 2019 through February 28, 2021. The 1,896 reported hours occurred in 37 pay periods. We also ensured the information recorded in the payroll system agreed with the information recorded in KRONOS for Mr. Rapp. The hours reported for Mr. Rapp for each of the 37 pay periods are listed in **Exhibit A**.

As illustrated by the **Exhibit**, the first 8 pay periods included hours reported for Mr. Rapp which were supported by the employee schedules. However, starting with the pay period which ended on January 9, 2020, the number of hours reported in KRONOS for Mr. Rapp exceeded the time recorded for him on the employee schedules. Each pay period through February 4, 2021 also includes hours which were not supported by the employee schedule, with the exception of the pay period ended on April 16, 2020. The hours not supported by the employee schedules are identified as improper in **Exhibit A**. As previously stated, information from KRONOS documents the manual entries to Mr. Rapp's time records were made using the computer assigned to Ms. Rapp.

Also as previously stated, Mr. Rapp was terminated from his temporary PSS position effective February 19, 2021. However, the last payroll compensation he received was for the pay period ended February 4, 2021. While Mr. Rapp's key fob was used to clock him in at 7:38 AM on February 5, 2021, he was not at CCUSO that day and the entry was reversed by a CCUSO official. As previously stated, Ms. Rapp was interviewed by CCUSO officials on February 5, 2021 and then placed on administrative leave. Mr. Rapp was not assigned another shift before his employment was terminated.

Table 2 provides an example of the comparison between the time recorded in KRONOS for Mr. Rapp for the pay period ended February 4, 2021 and the time shown in the employee schedule for him. The **Table** also includes the times recorded in KRONOS for Ms. Rapp during the same pay period. As illustrated by the **Table**, KRONOS shows Ms. Rapp clocked in or out within minutes of a time entry for Mr. Rapp. As previously stated, Ms. Rapp told CCUSO officials during their meeting on February 18, 2021 that she sometimes used her husband's key fob to punch him in and out on days when he did not work at CCUSO.

Table 2 also illustrates the time recorded for Mr. Rapp for Sunday, January 3, 2021, was recorded using the computer assigned to Ms. Rapp. A report from KRONOS shows the entries were made by Ms. Rapp on Monday, January 4. KRONOS also shows Ms. Rapp did not clock herself in or out on Sunday, January 3, 2021.

Table 2

Date	Renae Rapp^		Adam Rapp^		Total Hours	Hours per Schedule	Variance
	Time In	Time Out	Time In	Time Out			
Fri., 12/25/20	##	##	-	-	-	-	-
Mon., 12/28/20	5:41 AM	3:12 PM	6:58 AM	3:12 PM	8.25	8.25	-
Tue., 12/29/20	6:36 AM	4:50 PM	4:49 PM	7:01 AM	14.25	-	14.25
Wed., 12/30/20	6:36 AM	3:56 PM	3:59 PM	7:58 AM	16.00	-	16.00
Thu., 12/31/20	6:29 AM	11:04 AM	-	-	-	-	-
Fri., 01/01/21	##	##	-	-	-	-	-
Sun., 01/03/21	-	-	6:30 AM *	2:30 PM *	8.00	-	8.00
Mon., 01/04/21	5:41 AM	3:12 PM	3:08 PM	9:16 AM	18.00	-	18.00
Tue., 01/05/21	6:36 AM	4:50 PM	-	-	-	-	-
Wed., 01/06/21	6:36 AM	3:56 PM	4:28 PM	8:23 AM	16.00	-	16.00
Thu., 01/07/21	6:29 AM	11:04 AM	-	-	-	-	-
Total					80.50	8.25	72.25

- Holiday

^ - Time in/out recorded in KRONOS.

* - Time recorded using computer assigned to Renae Rapp. All others shown for Adam Rapp recorded using a key fob.

As illustrated by **Exhibit A**, there were 22 pay periods for which time was recorded on KRONOS for Mr. Rapp; however, the schedules show he did not work at all during those pay periods. For the 22 pay periods identified, the time recorded on KRONOS for Mr. Rapp ranged from 38.25 hours for the pay period ended October 15, 2020 to 92.25 hours for the pay period ended February 4, 2021. Also, of the 22 pay periods, 8 included improper hours of 80 or more.

The number of improper hours reported per pay period for Mr. Rapp ranged from 29.75 for the pay period ended January 9, 2020 to 92.25 for the pay period ended February 4, 2021. **Table 3** illustrates the average number of excess hours reported for Mr. Rapp increased during the period he was employed as a temporary PSS.

Table 3

Pay Periods	Improper Hours Reported	Number of Pay Periods	Average Improper Hours Reported per Pay Period
01/09/20 – 06/25/20	623.75	13	47.98
07/09/20 – 12/24/20	873.25	13	67.17
01/07/21 – 02/04/21	248.25	3	82.75
Total	1,745.25	29	60.19

Exhibit A also illustrates Mr. Rapp received \$56,984.60 of gross wages for the period August 23, 2019 through February 4, 2021. Of this amount, \$52,618.19 was gross wages improperly issued to Mr. Rapp based on 1,745.25 of hours reported in KRONOS which were not supported by employee schedules or rosters. In addition to the excess gross wages issued to Mr. Rapp, we determined CCUSO incurred \$8,992.47 of additional payroll costs for the excess gross wages, including \$4,967.15 for the employer's share of IPERS and \$4,025.32 for the employer's share of FICA.

As a result, the \$61,610.66 of excess wages paid to Mr. Rapp and payroll related costs are included in **Table 1** as improper disbursements.

According to a CCUSO official we spoke with, the TPS on duty at the end of a pay period was responsible for approving all PSS timesheets. As stated previously, a CCUSO official reported there were six TPSs and over 100 PSSs during the period of our review who were responsible for the facility’s 24/7 operations. The CCUSO official reported the TPS responsible for approving PSS timesheets each pay period was rushed to get them done because there were so many. It is not feasible the TPS could have known the accuracy of the hours reported on each timesheet or had sufficient time to trace each timesheet back to the appropriate schedules and rosters. As a result, their review and approval did not ensure the accuracy of the time report upon which wages were calculated.

Mr. Rapp’s Employment Prior to July 2019 – We also examined reports from KRONOS which specified the time recorded for Mr. Rapp during his tenure as a full-time PSS. As previously stated, Mr. Rapp resigned as a full-time PSS in June 2019 and returned to CCUSO employment as a part-time PSS in August 2019. We were unable to compare the time recorded in KRONOS to employee schedules prior to July 2019 because schedules were not available for this period. However, we identified a number of instances where the information in KRONOS shows Mr. Rapp worked between ten and seventeen hours during a single shift. According to CCUSO officials, it would not be uncommon for individuals in the position held by Mr. Rapp to work shifts in excess of eight hours if they had to cover other employees’ shifts due unexpected absences.

During our review of Mr. Rapp’s time recorded as a full-time PSS, we also identified two instances within the pay period ended January 24, 2019 in which Ms. Rapp adjusted Mr. Rapp’s “punch out” or leave time just before the KRONOS time was submitted to the statewide payroll system. As previously stated, all time information in KRONOS for each pay period was to be reviewed and approved by a TPS between the end of Thursday and 10:00 AM on the Friday following the end of a pay period so that accurate information would be electronically uploaded to the statewide payroll system. The two instances identified are summarized in **Table 4**.

Table 4

Description	Friday, 01/11/19	Thursday, 01/17/19
Leave time, originally recorded on computer*	6:00 PM	3:30 PM
Date recorded	Thursday, 01/17/19	Tuesday, 01/22/19
Time recorded	3:26 PM	9:41 AM
Leave time, edited by Renae Rapp	8:00 PM	8:00 PM
Date recorded	Friday, 01/25/19	Friday, 01/25/19
Time recorded	8:51 AM	8:52 AM
Additional time as a result of edits	2 hours	4.5 hours

* - Recorded by Renae Rapp

As illustrated by the **Table**, the edits were made just before the KRONOS information was electronically uploaded to the statewide payroll system. Specifically, they were made at 8:51 AM and 8:52 AM on Friday, January 25, 2019 and involved the time recorded for the end of Mr. Rapp’s workday on January 11, 2019 and January 17, 2019.

The “punch out” time initially recorded for Mr. Rapp for both of these days was not recorded with a key fob. Instead, KRONOS shows they were recorded by Ms. Rapp with the computer assigned to her. In addition, the original entry for each of the days was not made on the same day or the next day. Instead, they were made five and six days, respectively, after the reported end of Mr. Rapp’s shifts. Because the initial entries were not recorded with Mr. Rapp’s key fob, Ms. Rapp should have had accurate information before recording the entries on January 17, 2019 and January 22, 2019 for Mr. Rapp’s leave or punch out times for January 11, 2019 and January 17, 2019, respectively. As a result, there should have been no need for her to change the leave/punchout time for those dates on January 25, 2019.

As illustrated by **Table 4**, the revisions made by Ms. Rapp on January 25, 2019 resulted in KRONOS reflecting that Mr. Rapp left at 8:00 PM on both January 11, 2019 and January 17, 2017 which, in turn, resulted in Mr. Rapp being paid for 6.5 hours in excess of what was originally recorded for him.

Because supporting documentation was not available to determine what time Mr. Rapp actually left CCUSO on January 11, 2019 and January 17, 2019, we were unable to determine the propriety of the departure times initially recorded in KRONOS or the revised times recorded by Ms. Rapp. We discussed the adjustments made by Ms. Rapp with CCUSO officials. According to CCUSO officials, while supervisors were able to edit time recorded in KRONOS, a supervisor may have instructed Ms. Rapp to make the adjustments based on his/her review of Mr. Rapp's timesheet. Because we are unable to determine the propriety of the adjustments, we have not included any related payroll costs in **Table 1**.

During our review of Mr. Rapp's time recorded as a full-time PSS, we also identified three instances for which Ms. Rapp recorded both Mr. Rapp's time in and time out on the same day using the computer assigned to her. Because Mr. Rapp's key fob was not used to record either time, we are unable to determine if he was at CCUSO for the days identified. The three instances identified are summarized in **Table 5**.

Table 5

Work Date	Time In*	Time Out*	Total Hours for the Day	Date Recorded
01/18/18	7:30 AM	3:30 PM	8.00	01/19/18
03/12/18	7:45 AM	5:00 PM	9.25	03/13/19
01/28/19	7:00 AM	5:00 PM	10.00	01/29/19
Total			27.25	

*- Recorded in KRONOS with Ms. Rapp's computer.

As illustrated by the **Table**, Mr. Rapp was paid for 27.25 hours of work on the three days identified. Because we are unable to determine the propriety of the times recorded, we have not included any related payroll costs in **Table 1**.

In addition, we identified 52 instances in which Mr. Rapp was clocked in/out with the use of the key fob assigned to him within five minutes of the time Ms. Rapp was clocked in or out. The 52 instances are listed in **Exhibit B**. As illustrated by the **Exhibit**, the first instance occurred on January 11, 2018 in which Mr. and Ms. Rapp both clocked out at 3:27 PM. The last instance occurred on June 19, 2019 in which Mr. and Ms. Rapp both clocked out at 11:31 AM. The period tested started January 1, 2018 and ended June 20, 2019, which was the last day of Mr. Rapp's full-time employment at CCUSO.

Exhibit B illustrates for only 3 of the 52 instances identified, the punches recorded in KRONOS for Mr. and Ms. Rapp match exactly or within five minutes for both the start and end of their shifts. These instances include July 17, 2018, August 7, 2018, and June 7, 2019. For the remaining 49 instances identified, only the punch in or the punch out for Mr. and Ms. Rapp occurred within 5 minutes of each other. Due to lack of supporting documentation, we were unable to determine the propriety of the times recorded. As a result, we have not included any related payroll costs in **Table 1**.

Ms. Rapp's Employment – During our review of reports from KRONOS for time recorded for Ms. Rapp, we identified several instances where her key fob was used to clock her in and/or out at times outside her typical work day schedule. We reviewed these instances with CCUSO officials. They reported she was authorized to flex her work schedule and there were times where she would have worked more hours than usual. As a result, we have not included any related payroll costs in **Table 1**.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Civil Commitment Unit for Sexual Offenders (CCUSO) process payroll. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the CCUSO's internal controls.

- A. Approval of Recorded Time – For the period we tested, the TPS on duty at the end of a pay period was responsible for approving all PSS timesheets. It is not feasible the TPS could have known the accuracy of the hours reported on each timesheet or had sufficient time to trace each timesheet back to the appropriate schedules and rosters. As a result, the TPS' review and approval did not ensure the accuracy of the time report upon which wages were calculated.

CCUSO officials have changed the approval process. Currently, each PSS has a direct report supervisor (TPS) who is responsible for reviewing and approving the time recorded for their assigned PSSs.

Recommendation – CCUSO officials should ensure each TPS reviewing and approving reported time verifies the accuracy of the time reported. The information should be traced to rosters or other reliable sources. Any variances identified between time reported in KRONOS and the supporting documentation should be resolved in a timely manner.

- B. Monitoring of Payroll Adjustments – Because the former Administrative Assistant had the authority to over manually adjust time recorded in KRONOS for employees without sufficient oversight, she was able to improperly increase the number of hours recorded for her husband which resulted in improper payroll disbursements.

Recommendation – We realize it is necessary to have an individual in an administrative position authorized to manually adjust employees' recorded time and record leave when necessary. However, CCUSO officials should develop procedures to ensure the actions taken by that individual are appropriate.

Specifically, CCUSO officials should periodically have someone independent of other payroll duties and functions within KRONOS run a report of adjustments to time recorded with key fobs, manual entries, and manual adjustments. The report should include, but not be limited to, the party making the manual entry/adjustment, the date and time of the manual entry/adjustment, a description of the action taken, the location or IP address of manual entry/adjustment, and information relevant to the related original entry. Once ran, the independent individual should review the report to:

- identify any unusual adjustments,
- identify any frequent or recurring manual entries/adjustments by the same individual,
- determine the reasons for the manual entries/adjustments, and
- determine the propriety of the manual entries/adjustments.

Any unusual adjustments should be investigated and resolved in a timely manner and the appropriate CCUSO and DHS officials should be immediately notified of any suspicions or concerns identified.

- C. Limited Use of Temporary Employees – In accordance with Iowa Code chapter 8A, temporary employees are limited to 780 hours of employment per fiscal year. If a temporary employee works beyond 780 hours in a fiscal year, the employee may be deemed a permanent employee and eligible for benefits afforded to permanent employees.

As a temporary employee, Adam Rapp was paid for 761 hours during fiscal year 2020 (through the pay period ended June 25, 2020). He was also paid for 1,135 hours for the period June 26, 2020 through February 4, 2021. Because he did not actually work for more than 780 hours within a fiscal year as a temporary employee, it is appropriate he was not deemed a permanent employee and made eligible for benefits. However, no one at CCUSO monitored the total number of hours he was paid for or identified a potential compliance concern with Chapter 8A.

Recommendation – CCUSO officials should implement a monitoring system ensure temporary employees are not employed in excess of 780 hours per fiscal year.

- D. Notification Requirement – In accordance with section 11.2(2) of the Code of Iowa, Departments are required to immediately notify the Auditor of State regarding any suspected embezzlement, theft, or other significant financial irregularities. CCUSO officials did not notify DHS officials or the Office of Auditor of State once they had a suspicion there may have been concerns regarding the propriety of time recorded in KRONOS for Mr. Rapp.

Recommendation – CCUSO officials should implement procedures to ensure compliance with section 11.2(2) of the Code of Iowa and ensure any suspicions or irregularities are also communicated to DHS officials in a timely manner.

Exhibits

Exhibit A

Report on the Special Investigation of the
Department of Human Services
Division of Mental Health and Disability Services
Civil Commitment Unit for Sexual Offenders

Gross Pay Issued to Adam Rapp
For period August 1, 2019 through February 28, 2021

Pay Period Ending Date	Total Hours	Less: Supported Hours*	Improper Hours	Total Gross Wages	Total Improper Gross Wages	Employer's Share		Total Improper
						IPERS	FICA	
09/05/19	7.25	7.25	-	\$ 209.60	\$ -	-	-	-
09/19/19	4.25	4.25	-	122.87	-	-	-	-
10/03/19	4.75	4.75	-	137.32	-	-	-	-
10/17/19	9.00	9.00	-	260.19	-	-	-	-
10/31/19	10.00	10.00	-	289.10	-	-	-	-
11/14/19	4.50	4.50	-	130.09	-	-	-	-
11/28/19	8.00	8.00	-	231.28	-	-	-	-
12/26/19	26.75	26.75	-	773.34	-	-	-	-
01/09/20	36.75	7.00	29.75	1,062.44	860.07	81.19	65.80	1,007.06
01/23/20	49.75	-	49.75	1,438.27	1,438.27	135.77	110.03	1,684.07
02/06/20	53.25	-	53.25	1,539.45	1,539.45	145.32	117.77	1,802.54
02/20/20	43.25	4.75	38.50	1,250.35	1,113.03	105.07	85.15	1,303.25
03/05/20	58.50	-	58.50	1,691.23	1,691.23	159.65	129.38	1,980.26
03/19/20	46.25	-	46.25	1,337.08	1,337.08	126.22	102.29	1,565.59
04/02/20	49.00	-	49.00	1,416.59	1,416.59	133.73	108.37	1,658.69
04/16/20	13.00	13.00	-	375.83	-	-	-	-
04/30/20	55.75	-	55.75	1,611.73	1,611.73	152.15	123.30	1,887.18

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Pay Period Ending Date	Total Hours	Less: Supported Hours*	Improper Hours	Total Gross Wages	Total Improper Gross Wages	Employer's Share		Total Improper
						IPERS	FICA	
05/14/20	57.50	22.00	35.50	1,662.32	1,026.30	96.88	78.51	1,201.69
05/28/20	64.25	-	64.25	1,857.46	1,857.46	175.34	142.10	2,174.90
06/11/20	74.50	16.00	58.50	2,157.40	1,694.84	159.99	129.66	1,984.49
06/25/20	84.75	-	84.75	2,656.10	2,656.10	250.74	203.19	3,110.03
07/09/20	64.25	-	64.25	2,025.81	2,025.81	191.24	154.97	2,372.02
07/23/20	91.00	-	91.00	2,870.82	2,870.82	271.01	219.62	3,361.45
08/06/20	89.75	-	89.75	2,885.58	2,885.58	272.40	220.75	3,378.73
08/20/20	83.50	-	83.50	2,575.62	2,575.62	243.14	197.04	3,015.80
09/03/20	91.00	-	91.00	2,852.37	2,852.37	269.26	218.21	3,339.84
09/17/20	67.50	-	67.50	2,007.36	2,007.36	189.49	153.56	2,350.41
10/01/20	80.00	-	80.00	2,380.05	2,380.05	224.68	182.07	2,786.80
10/15/20	38.25	-	38.25	1,129.14	1,129.14	106.59	86.38	1,322.11
10/29/20	49.25	-	49.25	1,472.31	1,472.31	138.99	112.63	1,723.93
11/12/20	56.00	-	56.00	1,653.12	1,653.12	156.05	126.46	1,935.63
11/26/20	59.75	5.25	54.50	1,763.82	1,608.84	151.87	123.08	1,883.79
12/10/20	69.00	-	69.00	2,036.88	2,036.88	192.28	155.82	2,384.98
12/24/20	39.25	-	39.25	1,158.66	1,158.66	109.38	88.64	1,356.68

Exhibit A

Report on the Special Investigation of the
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Gross Pay Issued to Adam Rapp
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Pay Period Ending Date	Total Hours	Less: Supported Hours*	Improper Hours	Total Gross Wages	Total Improper Gross Wages	Employer's Share		Total Improper
						IPERS	FICA	
01/07/21	80.50	8.25	72.25	2,405.88	2,162.34	204.12	165.42	2,531.88
01/21/21	83.75	-	83.75	2,623.59	2,623.59	247.67	200.70	3,071.96
02/04/21	92.25	-	92.25	2,933.55	2,933.55	276.93	224.42	3,434.90
Totals	1,896.00	150.75	1,745.25	\$ 56,984.60	\$ 52,618.19	4,967.15	4,025.32	61,610.66

* - Supported by employee schedules.

Report on the Special Investigation of the
 Department of Human Services
 Division of Mental Health and Disability Services
 Civil Commitment Unit for Sexual Offenders

Selected KRONOS Time Entries for Renae and Adam Rapp
 For period August 1, 2019 through February 28, 2021

Per KRONOS Records					
Renae Rapp			Adam Rapp		
Time In	Time Out	Work Date	Time In	Time Out	
5:03 AM	3:27 PM	Thursday, January 11, 2018	8:01 AM	3:27 PM	
5:10 AM	3:26 PM	Monday, January 22, 2018	7:43 AM	3:27 PM	
4:50 AM	3:08 PM	Tuesday, January 23, 2018	7:21 AM	3:05 PM	
4:37 AM	3:24 PM	Thursday, January 25, 2018	7:24 AM	3:31 PM	
8:03 AM	3:11 PM	Monday, January 29, 2018	7:27 AM	3:05 PM	
6:17 AM	3:09 PM	Monday, February 26, 2018	7:55 AM	3:10 PM	
6:26 AM	3:25 PM	Thursday, April 5, 2018	7:45 AM	3:24 PM	
6:14 AM	4:08 PM	Wednesday, April 18, 2018	6:14 AM	3:47 PM	
6:10 AM	3:11 PM	Monday, April 23, 2018	7:06 AM	3:06 PM	
6:24 AM	3:31 PM	Tuesday, May 8, 2018	6:26 AM	4:46 PM	
6:37 AM	4:00 PM	Tuesday, July 10, 2018	6:37 AM	5:17 PM	
10:53 AM	2:54 PM	Tuesday, July 17, 2018	10:53 AM	2:54 PM	
7:17 AM	3:09 PM	Tuesday, August 7, 2018	7:16 AM	3:14 PM	
4:26 AM	3:45 PM	Tuesday, August 21, 2018	7:48 AM	3:43 PM	
8:06 AM	3:25 PM	Friday, August 24, 2018	7:30 AM	3:23 PM	
5:39 AM	3:27 PM	Wednesday, September 26, 2018	8:03 AM	3:26 PM	
8:00 AM	3:08 PM	Thursday, September 27, 2018	8:02 AM	1:49 PM	
7:52 AM	3:26 PM	Tuesday, October 2, 2018	7:54 AM	3:01 PM	
7:50 AM	5:59 PM	Monday, October 22, 2018	7:47 AM	5:37 PM	
7:52 AM	6:31 PM	Monday, October 29, 2018	7:51 AM	4:58 PM	
6:06 AM	3:25 PM	Wednesday, October 31, 2018	7:57 AM	3:23 PM	
4:48 AM	3:11 PM	Friday, November 2, 2018	7:14 AM	3:11 PM	
7:44 AM	3:24 PM	Monday, November 5, 2018	7:43 AM	2:37 PM	
6:00 AM	3:45 PM	Tuesday, November 6, 2018	7:48 AM	3:40 PM	
1:22 PM	5:32 PM	Sunday, November 11, 2018	1:21 PM	6:40 PM	

Exhibit B

Report on the Special Investigation of the
Department of Human Services
Division of Mental Health and Disability Services
Civil Commitment Unit for Sexual Offenders

Selected KRONOS Time Entries for Renae and Adam Rapp
For period August 1, 2019 through February 28, 2021

Per KRONOS Records					
Renae Rapp			Adam Rapp		
Time In	Time Out	Work Date	Time In	Time Out	
6:30 AM	5:22 PM	Wednesday, November 21, 2018	6:35 AM	4:00 PM	
5:53 AM	3:10 PM	Wednesday, November 28, 2018	8:01 AM	3:11 PM	
5:40 AM	3:39 PM	Friday, November 30, 2018	7:59 AM	3:40 PM	
6:44 AM	6:00 PM	Monday, December 3, 2018	8:02 AM	6:00 PM	
6:28 AM	3:18 PM	Tuesday, December 4, 2018	7:54 AM	3:18 PM	
2:30 PM	8:39 PM	Sunday, December 9, 2018	1:30 PM	8:40 PM	
8:19 AM	7:47 PM	Monday, December 17, 2018	7:58 AM	7:47 PM	
6:04 PM	8:19 PM	Wednesday, December 26, 2018	7:42 AM	8:19 PM	
5:42 AM	3:03 PM	Thursday, December 27, 2018	8:12 AM	3:03 PM	
6:54 AM	4:08 PM	Tuesday, January 8, 2019	6:53 AM	2:55 PM	
6:29 AM	5:51 PM	Wednesday, January 9, 2019	6:29 AM	3:20 PM	
6:14 AM	3:40 PM	Friday, January 25, 2019	8:01 AM	3:40 PM	
6:34 AM	6:40 PM	Wednesday, March 13, 2019	6:33 AM	9:53 PM	
6:30 PM	7:45 PM	Monday, March 18, 2019	7:59 AM	7:45 PM	
6:29 AM	3:53 PM	Monday, March 25, 2019	6:29 AM	3:08 PM	
5:55 AM	3:42 PM	Wednesday, April 10, 2019	7:59 AM	3:43 PM	
5:35 AM	3:53 PM	Tuesday, April 16, 2019	7:53 AM	3:53 PM	
6:32 AM	3:27 PM	Wednesday, April 17, 2019	7:15 AM	3:27 PM	
6:32 AM	3:44 PM	Tuesday, April 30, 2019	7:57 AM	3:44 PM	
6:03 AM	6:16 PM	Wednesday, May 1, 2019	8:00 AM	6:14 PM	
6:25 AM	3:49 PM	Monday, May 13, 2019	7:54 AM	3:53 PM	
6:46 AM	3:48 PM	Friday, May 24, 2019	7:59 AM	3:48 PM	
5:56 AM	1:28 PM	Friday, May 31, 2019	7:58 AM	1:27 PM	
7:55 AM	1:07 PM	Friday, June 7, 2019	7:55 AM	1:07 PM	
6:35 AM	3:53 PM	Monday, June 10, 2019	7:55 AM	3:53 PM	

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Per KRONOS Records					
Renae Rapp				Adam Rapp	
Time In	Time Out	Work Date		Time In	Time Out
6:11 AM	3:55 PM	Tuesday, June 18, 2019		8:00 AM	3:54 PM
5:31 AM	11:31 AM	Wednesday, June 19, 2019		7:57 AM	11:31 AM

Report on Special Investigation of the
Department of Human Services
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Civil Commitment Unit for Sexual Offenders

Staff

This special investigation was performed by:

Melissa J. Finestead, CFE, Manager
Blair E. Johnston, Audit Investigator


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Deputy Auditor of State