



**A REPORT
TO THE
MONTANA
LEGISLATURE**

**LEGISLATIVE AUDIT
DIVISION**

21ACTHotline



***Accountability, Compliance,
and Transparency –
Reporting and Resolving
Allegations of Fraud, Waste,
and Abuse in Montana State
Government***

Fiscal Year 2021

SEPTEMBER 2021



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ACCOUNTABILITY, COMPLIANCE, AND TRANSPARENCY HOTLINE

Our goal is to make State of Montana a better place for employees, customers, and contractors. The Accountability, Compliance & Transparency (ACT) Hotline is a confidential, 24-hours-a-day, 365-days-per-year service that you can access from any location. Reports may be made on either an anonymous or named basis. The website is hosted by an independent third party not part of State of Montana. You may report anonymously with confidence on this site if you choose. To assist in the investigation, those reporting potential fraud, waste, or abuse in Montana state government are encouraged to identify themselves; however, anonymous reports will also be accepted and investigated.

- ◆ Report online at <http://montanafraud.gov>
- ◆ E-mail LADHotline@mt.gov with a description of the allegation.
- ◆ Call the toll-free Fraud Hotline at 1-800-222-4446 or in Helena at 444-4446. This Hotline is available 24 hours a day, 7 days a week. A person is generally available to answer your call personally Monday-Friday from 7:00 a.m. to 2:00 p.m.
- ◆ Text2Tell. Text your concern to 704-430-3930. Your text will be routed through an independent third party to protect your anonymity. Your phone number is not recorded or provided to us. You will receive a confirmation text with directions on how to check the status of your report and communicate anonymously with our office.
- ◆ Send a written report to the following address:

LAD Fraud Hotline
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September 2021

The Legislative Audit Committee
of the Montana State Legislature:

This is our report summarizing hotline and referral activity for fiscal year 2021.

The Legislative Audit Act requires the legislative auditor to establish and maintain a toll-free number (hotline) for reporting fraud, waste, and abuse in state government and periodically report to the Legislative Audit Committee. State agencies are required to notify the legislative auditor of the discovery of any theft, actual or suspected, involving state money or property under that agency's control.

This report provides the legislature a summary of all hotline and referral activity for fiscal year 2021. It includes work completed on submissions either during Financial-Compliance, Information System, or Performance audits or independent of a scheduled audit. This report includes information on specific submissions, any referrals due to suspected criminal activity, and our second biennial state employee survey to assess state employee attitudes toward and awareness of mechanisms for reporting fraud, waste, and abuse in state government.

Respectfully submitted,

/s/ Angus Maciver

Angus Maciver
Legislative Auditor

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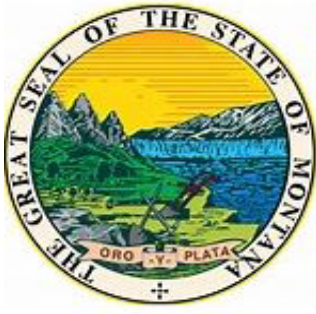
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**MONTANA LEGISLATIVE AUDIT DIVISION****Accountability, Compliance, and Transparency—
Reporting and Resolving Allegations of Fraud,
Waste, and Abuse in Montana State Government****BACKGROUND**

State law requires the Legislative Auditor to establish and maintain a mechanism for citizens to report fraud, waste, or abuse in state government; review and maintain a record of all submissions; analyze and verify the information received; or refer the information for appropriate action to the agency that is or appears to be the subject of the call.

The Legislative Audit Division (LAD) established a hotline in 1993 and citizens or state employees were able to submit a report through a toll-free number.

Currently, there are several ways a member of the public or a state employee can report a concern regarding alleged fraud, waste, or abuse in state government, including a toll-free phone number, email, USPS, online reporting form, and text.

The Legislative Audit Division's Accountability, Compliance, and Transparency Hotline provides individuals a mechanism to report suspected fraud, waste, or abuse of state government resources. This report to the Legislative Audit Committee provides information on the use of the hotline; the results of the reviews, verifications, and referrals; and any corrective action taken by the agency that was the subject of the report. There were 56 submissions of potential fraud, waste, or abuse to the hotline and agencies reported 23 discoveries of theft or suspected theft in fiscal year (FY) 2021. In our second state employee survey, employees reported a reduction in first-hand knowledge of fraud, waste, or abuse of state resources in the last two years.

SUBSTANTIATED CASES:**A Department of Labor and Industry (DLI) Employee Falsified Reimbursement Requests**

Theft was detected by DLI fiscal staff using their internal control procedures. DLI staff determined an employee had submitted altered receipts and falsified other documents to obtain reimbursements for which they were not entitled.

Medicaid Recipient Receiving Benefits After Moving to Another State

We received a submission from a former Montana resident who, after notifying the Department of Public Health and Human Services (DPHHS) of their moving to another state, received one additional month of Montana Medicaid benefits. DPHHS internal audit found the recipient should have been transferred to another state and removed from Montana Medicaid but had been overlooked by DPHHS staff.

Employee's Use of State Vehicle at the Department of Fish, Wildlife & Parks Found to Be Waste

Employee took a state vehicle home without being in on-call status. This activity is against agency policy, and we determined it to be waste.

(continued on back)

For the full report or more information, contact the Legislative Audit Division.

leg.mt.gov/lad

Room 160, State Capitol
PO Box 201705
Helena, Montana 59620
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The mission of the Legislative Audit Division is to increase public trust in state government by reporting timely and accurate information about agency operations, technology, and finances to the Legislature and the citizens of Montana.

To report fraud, waste, or abuse:

Online
www.Montanafraud.gov

Email
LADHotline@mt.gov

Call
(Statewide)
(800)-222-4446 or
(Helena)
(406)-444-4446

Text
(704) 430-3930

STATISTICS:

Hotline reports are allegations of potential fraud, waste, or abuse of state resources. In fiscal year 2021 there were a total of 56 hotline reports. This is 18 less than the 74 reports in fiscal year 2020.

In fiscal year 2021, 20 agencies were the subject of hotline submissions. Twenty-five agencies were the subject of hotline submissions in FY20 and 17 in FY19.

Penal violations (PV) are reports from agencies detailing the discovery of any theft, actual or suspected. In fiscal year 2021, seven state agencies reported 23 penal violations, two less than was reported (25) in fiscal year 2020 by 10 state agencies.

STATE EMPLOYEE SURVEY:

This fiscal year, we also conducted our second biennial survey of state employees relating to fraud, waste, and abuse. Mirroring our Hotline call data, we saw a decline in the proportion of state employees with first-hand knowledge of fraud, waste, or abuse occurring in their agency in the past two years. Some of this decline may be attributable to the effects of the COVID pandemic on either the opportunities for improper activity in the workplace, or the ability of employees to identify and report it. Future surveys will help us identify longer-term trends in the data.

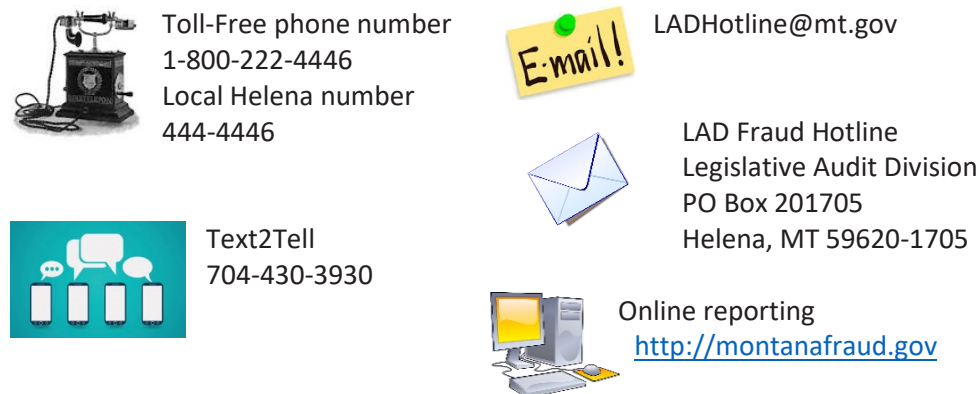
The survey results also showed some improvement in state employee awareness of the LAD Hotline function as a reporting mechanism. We also saw consistency in the types of improper activities state employees perceive as being most common, including nepotism, using state resources to conduct personal business, recruitment issues, fraudulent time reporting, and retaliation against whistleblowers.

Chapter I – Introduction

Accountability, Compliance, and Transparency (ACT) Hotline

Section 5-13-311, MCA, requires the legislative auditor to establish and maintain a mechanism for citizens to report fraud, waste, or abuse in state government; review and maintain a record of all submissions; analyze and verify the information received; or refer the information for appropriate action to the agency that is or appears to be the subject of the call. In 1993, the Legislative Audit Division (LAD) established a hotline where citizens or state employees were able to submit a report through a toll-free number. Currently, there are several ways a member of the public or a state employee can report a concern regarding alleged fraud, waste, or abuse in state government, including the toll-free phone number, email, mail, online reporting form, and text. LAD records and manages the submissions to the hotline in a database. These reporting mechanisms are illustrated in Figure 1.

Figure 1
Reporting Tools for ACT Hotline



Source: Compiled by the Legislative Audit Division.

All reporting forms allow the reporter to remain anonymous and their information confidential. Section 5-13-314, MCA, provides protection for state employees or authorized contractors from penalties, sanctions, retaliation, or restrictions about their employment as a result of their disclosure of information, if they have not violated state law. Also, §5-13-309, MCA, requires agency directors to report the discovery of any theft (actual or suspected) to LAD. Such thefts are termed penal violations and are also recorded and managed in the LAD database.

ACT Hotline Plays Important Role

A 2020 report from the Association of Certified Fraud Examiners found that 43 percent of fraud schemes were detected by tips, and half of those came from employees of the organization where the suspected fraud occurred. Organizations with reporting hotlines were more likely to detect fraud through tips than organizations without hotlines, 49 percent compared to 31 percent respectively. The LAD ACT Hotline plays an important role in identifying fraud, waste, and abuse in Montana state government.

Since making substantive changes to our hotline processes in 2018, we have continued to see an enhancement of our ability to effectively and efficiently analyze and determine the veracity of the suspected fraud, waste, abuse, or penal violations in state government.

The Accountability, Compliance, and Transparency (ACT) team is a group of dedicated LAD staff who provide leadership and management of the case management system and LAD's response to submissions. The ACT team and many other LAD staff dedicated 473.5 hours in fiscal year 2021 addressing the responsibilities established by statutes and standards to enhance the response to suspected fraud, waste, abuse, or penal violations found by or reported to LAD.

When a hotline submission is received, ACT team members categorize the allegation based on how the reporter describes the subject matter of the allegation. In categorizing and investigating the reports, staff use the following definitions:

- ♦ ***Fraud:*** Any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means.
- ♦ ***Waste:*** An unintentional, thoughtless or careless expenditure, consumption, mismanagement, use or squandering of government resources to the detriment or potential detriment of the state.
- ♦ ***Abuse:*** An intentional, wrongful, or improper use or destruction of government resources, or seriously improper practice that does not involve prosecutable fraud.

These definitions were also used in the employee survey (see page 10) and were adopted by the ACT team in their charter from the Generally Accepted Government Auditing Standards (GAGAS) and Black's Law Dictionary.

Penal Violations and Criminal Referrals

State law requires agencies to report the discovery of any theft (actual or suspected) to LAD. A penal violation (PV) may also be discovered during an audit or reported through the hotline. The ACT team also reviews and classifies these types of submissions and determines if there is a need to obtain additional information for use in an ongoing or subsequent audits, assign staff to analyze the submission, or refer the issue to the attorney general and the governor, as required by state law. If such a referral is made, the legislative auditor is required to furnish the attorney general with all information available relative to the violation. There were no criminal referrals made in fiscal year 2021.

Report Contents

The remainder of the report presents the usage of the hotline; the results of the reviews, verifications, and referrals; any corrective actions taken by the appropriate agencies; and the results of our second state employee fraud hotline survey.

- ♦ Chapter II provides statistics about the use and results of the hotline.
- ♦ Chapter III discusses inconclusive cases, substantiated hotline cases, and corrective actions taken by the appropriate agency.
- ♦ Chapter IV and its appendices present the results of the state employee fraud survey.

Chapter II – Statistics

Hotline Reports and Penal Violations Decreased in Fiscal Year 2021

In fiscal year 2021 there were a total of 56 hotline reports alleging potential fraud, waste, or abuse of state resources. This is down 18 from the 74 reports in fiscal year 2020.

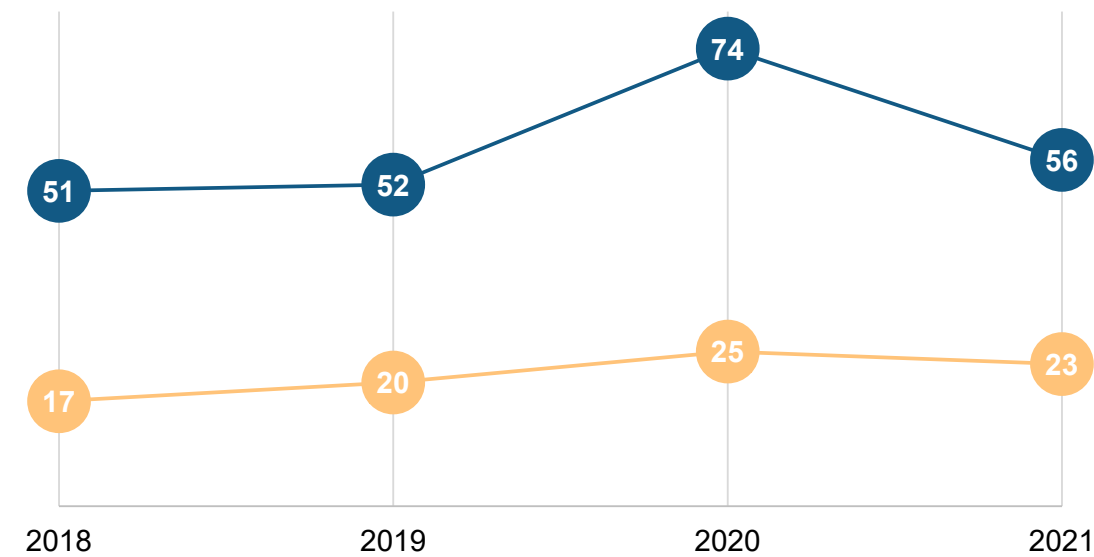
The decrease in hotline reports may be due to the fact many employees were working from remote locations during much of fiscal year 2021. However, we may see something else is occurring once we analyze the reports for subsequent fiscal years. Additionally, the state employee survey may be driving trends, but we cannot say until we have more years to compare.

Penal violations (PV) are submissions from agencies to satisfy their statutory responsibility to report theft or suspected theft to the legislative auditor. In fiscal year 2021, seven state agencies reported a total of 23 penal violations, two fewer than were reported in fiscal year 2020. Montana State University reported almost half (10) of the total. They reported theft of a computer, welder, miscellaneous signs, pictures, and a chair.

The following figure illustrates the total hotline reports and PVs received by LAD for fiscal year 2021 compared to the previous three fiscal years.

Figure 2
Hotline Submissions Since 2018

We received fewer **hotline submissions** in fiscal year 2021, but the number of **penal violations** has slightly increased over time.



Source: Compiled by the Legislative Audit Division.

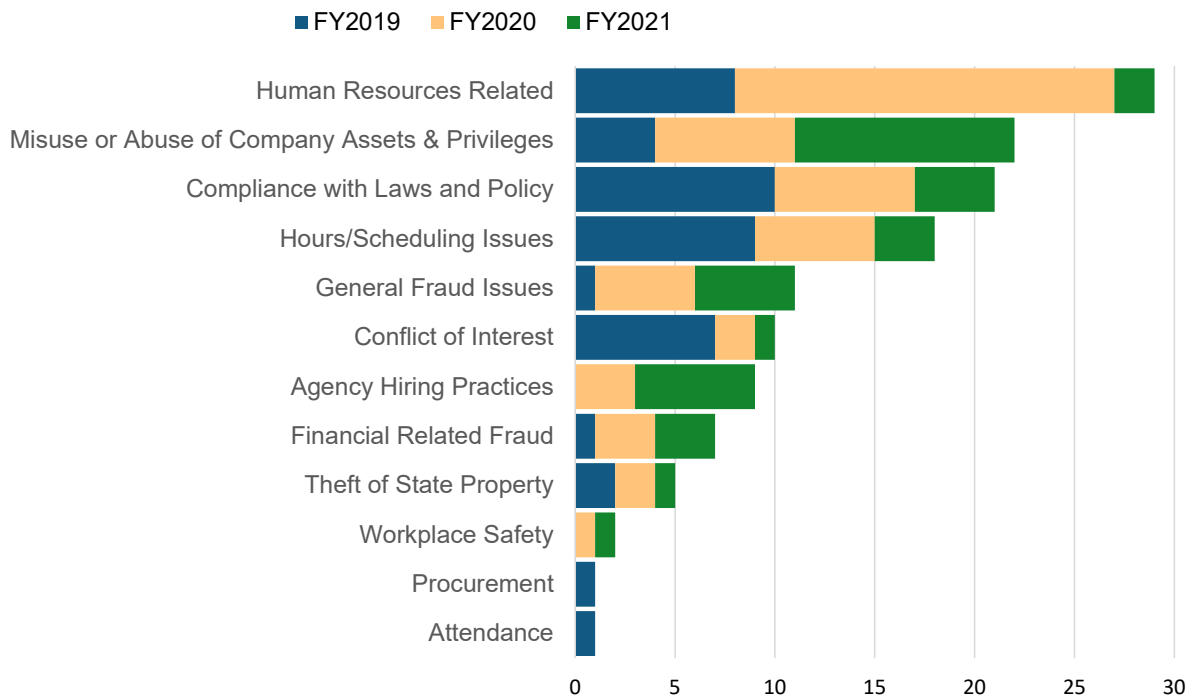
Human Resource Related Hotline Reports Remain Prevalent Over Time

While there were substantially fewer human resource related hotline reports in fiscal year 2021, they still make up the largest number of submissions over the last three fiscal years. Human resources related reports are mostly questioning agency hiring practices.

Figure 3 depicts statistical information about the categories of the hotline submissions received in the previous three fiscal years.

Figure 3
Hotline Submissions Over Last Three Fiscal Years

Human resources, misuse or abuse of company assets and privileges, and compliance with laws and policies made up most of the hotline submissions.



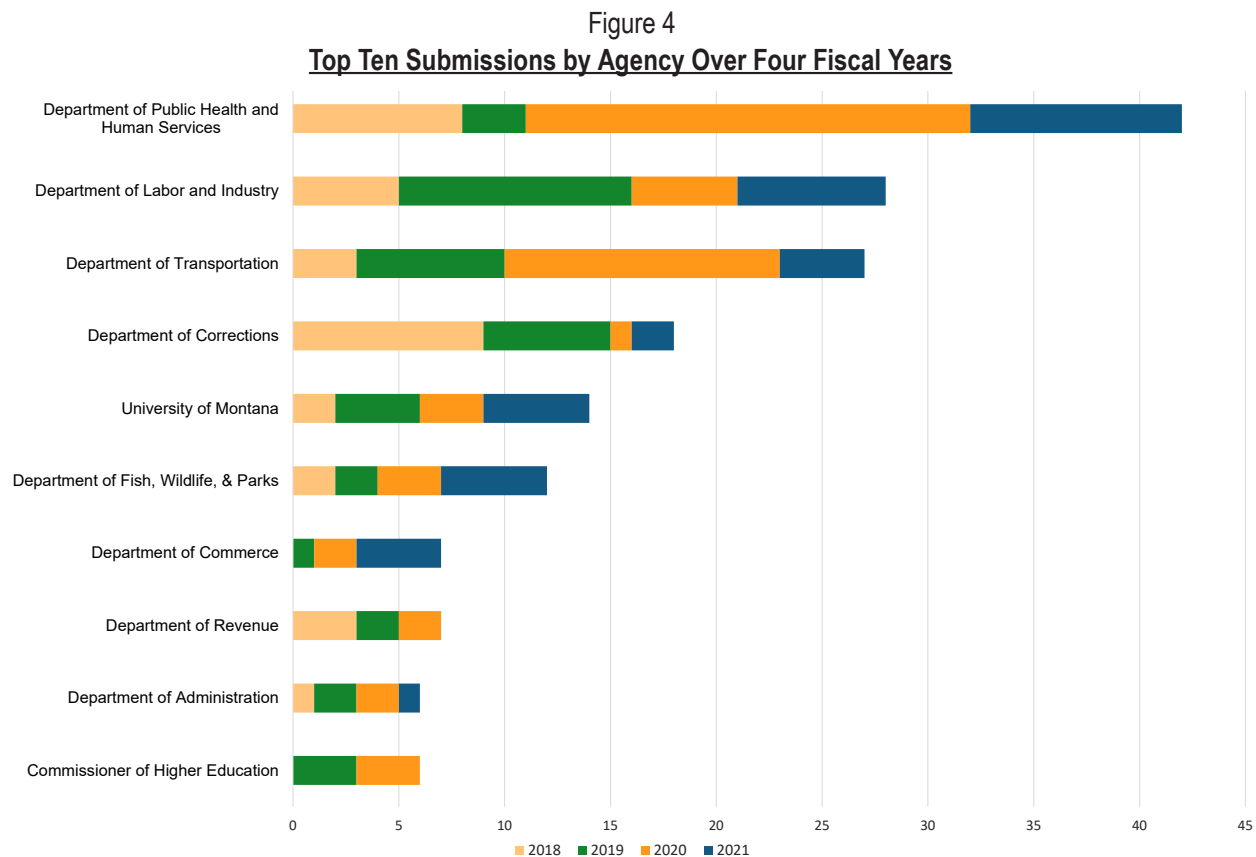
Source: Compiled by the Legislative Audit Division.

Large State Agencies Continue to Allege More Fraud, Waste, and Abuse

Hotline submissions are assigned to the state agency that is the subject of the submission. In fiscal year 2021, 20 agencies were the subject of the 56 hotline submissions. The top three agencies receiving the most submissions were the Department of Public Health and Human Services (10), the Department Labor and Industry (7) and the Department of Fish, Wildlife and Parks (5).

By comparison, in fiscal year 2020, 25 agencies were the subject of 74 hotline submissions. The top three agencies were: Department of Public Health and Human Services (21); Department of Transportation (13); Department of Labor and Industry (5).

Figure 4 shows the ten agencies receiving the most hotline submissions over the previous four fiscal years. University of Montana includes the flagship campus as well as all affiliate campuses.



Source: Compiled by the Legislative Audit Division.

Resolutions of Hotline Submissions

After investigation by LAD staff, reports are resolved based on the evidence obtained and the ability of staff to corroborate the allegation. Substantiated reports are those submissions where evidence was found by or provided to staff to support or prove the truth of the allegation. In fiscal year 2021, we substantiated three submissions. Additional information on these submissions can be found in Chapter III.

In an unsubstantiated report, the allegation was not supported by evidence. In fiscal year 2021, there were 25 unsubstantiated reports.

There were five inconclusive reports in fiscal year 2021. An inconclusive investigation means that staff could not come to a firm conclusion, due to lack of sufficient evidence, about the truth of the allegation. For two of these submissions, we made the agency aware of the allegations. For the remaining three, we provided the information to the appropriate financial compliance team to be included in their work related to federal compliance, CARES Act funding, and contract monitoring.

We referred four reports to the agency the subject of the submission for appropriate action. In these cases, the agency responds in writing to the inquiry and provides any corrective action taken. In fiscal year 2021, three of these were referred to the Office of the Commissioner of Higher Education (OCHE) and one to the Department of Transportation (MDT).

The three referred to OCHE's internal audit were found to be unsubstantiated. The referral to MDT was made to internal audit and the human resource director. The financial-compliance audit team will continue to monitor the referral during their audit.

The remaining 19 reports were where we had no jurisdiction over the allegations. Often in these cases the reporter is referred to another state agency hotline.

Chapter III—Substantiated Cases

Introduction

Reports to the hotline are confidential until the legislative auditor or other appropriate agency acts to verify the fraud, waste, or abuse reported and takes corrective action. Once substantiated, the information concerning the subject of the complaint and the remedy, if any, then becomes public information, unless it is otherwise precluded by law from disclosure. There were three substantiated submissions in fiscal year (FY) 2021.

A Department of Labor and Industry Employee Falsified Reimbursement Requests

We received notification from the Department of Labor and Industry (DLI) of fraud committed by an employee. The theft was detected by DLI fiscal staff and their internal control procedures. During a standard review of procard reimbursement receipts, a transaction was flagged for further review because a support receipt was missing. Upon further investigation it was determined the reimbursement request was fraudulent. The employee's financial transactions were thoroughly reviewed, and DLI staff determined the employee had submitted altered receipts and falsified other documents to obtain reimbursements to which they were not entitled.

The employee resigned before a scheduled due process meeting. The theft was reported to law enforcement, and the individual was criminally prosecuted. The person plead guilty, and DLI is asking for over \$17,000 in restitution.

DLI conducted employee training on fraud prevention and internal controls and expanded its efforts to prevent and detect fraud. The department evaluated its internal controls and enhanced its safeguards.

Montana Medicaid Recipient Not Removed After Moving to Another State

We received a submission from a former Montana resident who, after notifying the Department of Public Health and Human Services (DPHHS) of their moving to another state, claimed to have received one additional month of Montana Medicaid benefits.

We referred this submission to DPHHS internal audit, which researched the allegations. They found the recipient should have been transferred to another state and removed from Montana Medicaid but had been overlooked by DPHHS staff. The recipient was removed from Montana Medicaid and their case transferred to their current resident state. There had been no claims paid for over two years, but the monthly payment made to the primary care provider for this client was paid. We determined this to be waste.

Employee's Use of State Vehicle at the Department of Fish, Wildlife & Parks Found to Be Waste

This report contained two allegations, one of which was substantiated. The unsubstantiated report alleged wasteful spending on an employee's procard. The purchase was approved by a supervisor and all documentation required was present.

The substantiated report alleged the employee took a state vehicle home, without being in on-call status. There was no independent evidence to substantiate this allegation; and the agency does not require travel documentation from its employees. However, when asked, the employee indicated they had taken the vehicle home to save time before a work trip the following day. This activity is against agency policy and was determined it to be waste but was not a chronic issue with this employee.

Chapter IV – State Employee Fraud Hotline Survey

Introduction

In 2018, the Legislative Audit Division (LAD) launched a new third-party vendor system for reporting and managing allegations of fraud, waste, and abuse. This new system offers many advantages, including improved web-based reporting of allegations as well as text-enabled reporting, while still protecting the reporter's anonymity. The new system has streamlined our case management processes, resulting in faster response times, and improved reporting to the legislature.

In June 2019, LAD sent an electronic survey to a sample of state employees to help understand engagement levels and to promote employee awareness of our new systems for reporting fraud, waste, and abuse in state government. To continue this effort, LAD sent a second iteration of the survey to a sample of state employees. The second survey was sent to 6,000 Executive and Judicial Branch and University System (MUS) employees at the end of April 2021. This year's voluntary and anonymous survey, coupled with the results from a similar 2019 survey, provides us with information that continues to guide our efforts to promote awareness and use of the ACT Hotline. The 2021 survey was conducted as the nation moved into recovery from a global pandemic. Many state employees were still working remotely most, if not all, of the time. We were curious to know how employee's awareness and perceptions of fraud, waste, and abuse of state resources were affected by these unprecedented circumstances.

Survey Administration

As we did for the 2019 survey, we randomly sampled 6,000 individuals from the approximately 21,000 state employees for the 2021 survey. We again excluded the Legislative Branch and student employees of the MUS.

Since we expected the knowledge of the ACT Hotline to vary by agency, we wanted to get representation from as many agencies as possible. To achieve this, we used a stratified sampling method. Each of the larger agencies (more than 100 employees) and MUS were their own strata. All the agencies with fewer than 100 employees were pooled together into one stratum. The survey was emailed to the sampled state employees in April 2021. We received 1,613 responses for an overall response rate of 27 percent. The response rate for our 2021 survey was similar to the response rate from our 2019 survey.

We asked two demographic questions in the 2019 survey: agency affiliation and tenure/length of service. We added two demographic variables in the 2021 survey: gender and educational level. We added these to enhance our ability to assess and account for non-response bias. For further information on the survey methodologies and our assessment of non-response bias, see Appendix A.

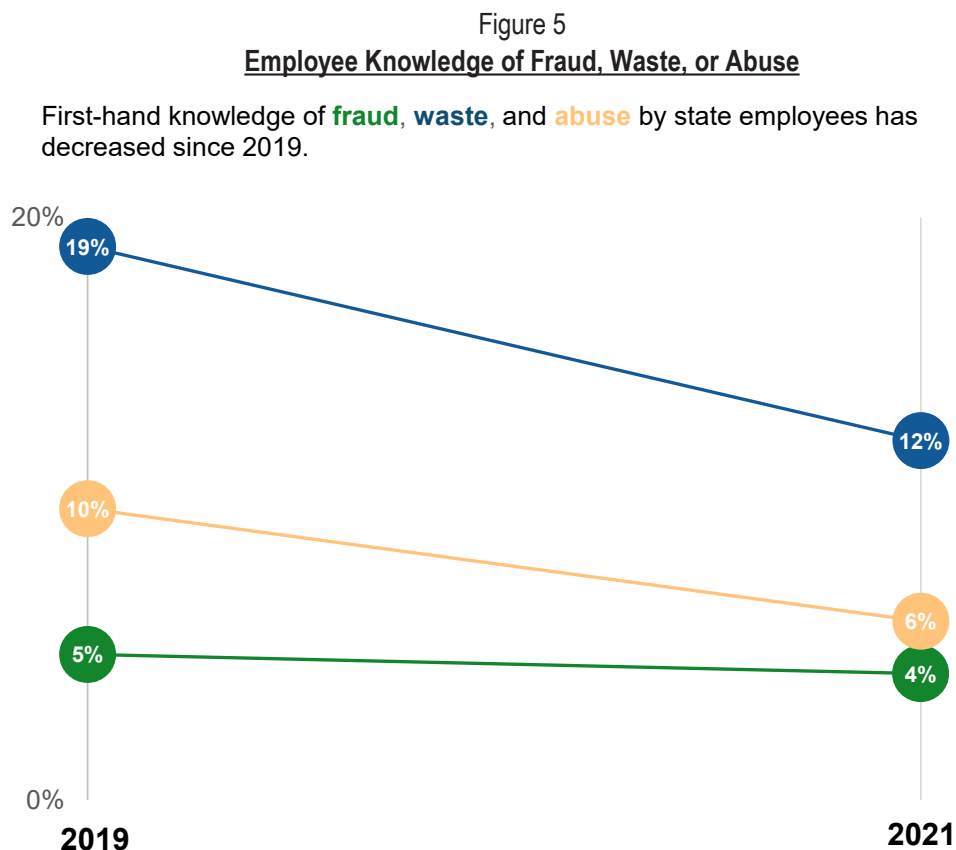
Survey Results

Survey questions related to employee awareness of and engagement with the ways they could report fraud, waste, and abuse in state government. Additionally, we hoped to compare state employee attitudes and perceptions regarding the amount of fraud, waste, or abuse in state government and their willingness to report issues from 2019 to 2021. For full survey results see Appendix B.

First-Hand Knowledge of Fraud, Waste, or Abuse Decreased

The survey respondents were asked if, in the past two years, they had first-hand knowledge of fraud, waste, or abuse occurring in the agency where they currently worked. Fraud was defined as any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means. Waste was defined as an unintentional, thoughtless or careless expenditure, consumption, mismanagement, use or squandering of government resources to the detriment or potential detriment of the state. Finally, abuse was defined as an intentional, wrongful, or improper use or destruction of government resources, or seriously improper practice that does not involve prosecutable fraud.

The following figure depicts the percentage of responding employees indicating they had first-hand knowledge of fraud, waste, or abuse within the last two years for each of the surveys.



Source: Compiled by the Legislative Audit Division from online survey results.

As the figure shows, there was a significant decrease in first-hand knowledge of waste and abuse in 2021 compared to 2019.

Since respondents could have first-hand knowledge of fraud, waste, abuse, or some combination of these, we considered the number of respondents who answered ‘Yes’ to at least one of these questions. The table below shows the number of respondents responding ‘Yes’ to at least one of the fraud, waste, and abuse questions in the 2019 and 2021 surveys.

Table 1
**More Employees Responded Yes to At Least One Fraud, Waste, or Abuse
Question in 2019**

| | 2021 Hotline Survey | 2019 Hotline Survey |
|--|---------------------------|---------------------------|
| Yes to at least one of the FWA questions | 244 | 346 |
| Number of respondents to the FWA questions | 1,613 | 1,558 |
| Percentage | 15% | 22% |

Source: Compiled by the Legislative Audit Division from online survey results.

There were more total respondents to the fraud, waste and abuse (FWA) questions in the 2021 survey. However, a smaller percentage of 2021 respondents answered ‘Yes’ to at least one of the FWA questions than in 2019. We suspect one of the contributing factors to this decrease in first-hand knowledge of these acts was the COVID-19 pandemic and the remote work environment for many state employees.

There is some basis for believing that the COVID pandemic may have affected responses to these questions. With thousands of state employees working from home for the majority of the survey time period, opportunities to either identify or report fraud, waste, or abuse may have declined. Analysis of future surveys may help us better understand whether these results are temporary in nature, or a more dependable baseline for understanding the views of state employees.

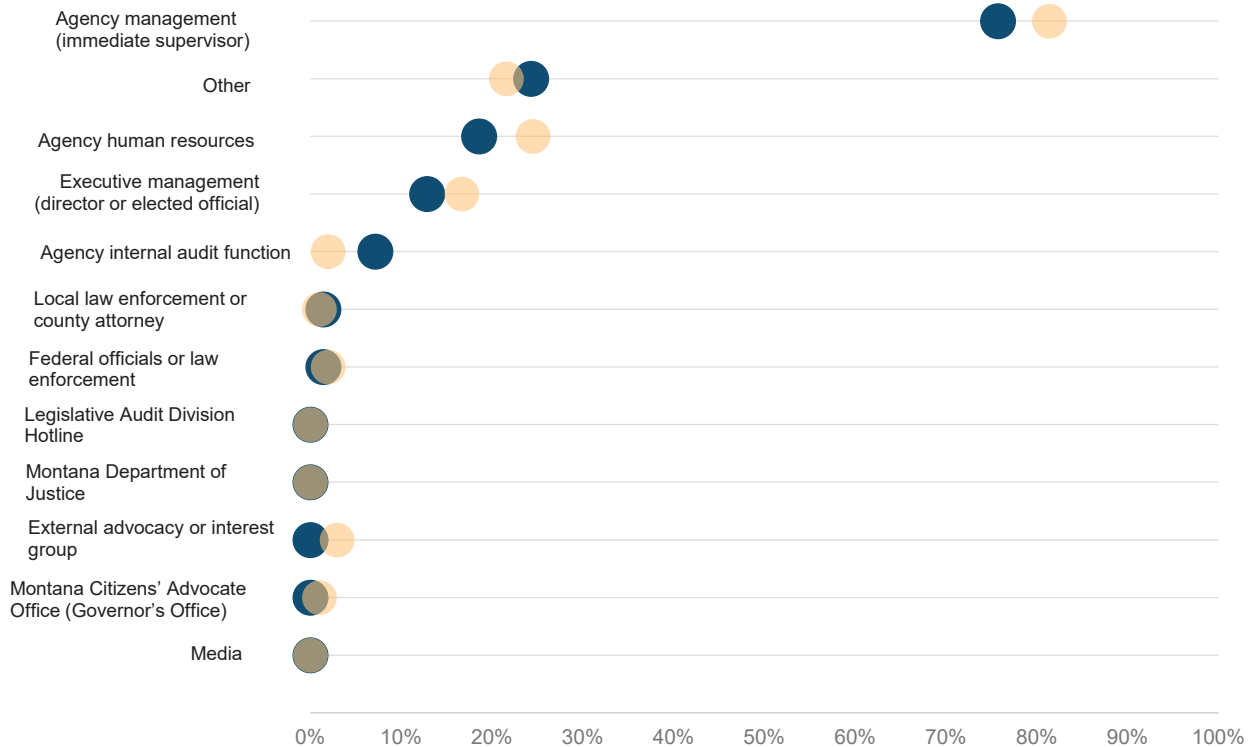
Reporting Fraud, Waste, or Abuse

Several survey questions sought to discover where respondents reported first-hand knowledge of fraud, waste, or abuse. Specifically, we wanted to know if employees were aware of the ACT Hotline and why they did or did not report their allegations to the hotline. While agency internal controls should be the first line of defense in the shared effort to promote accountability, compliance, and transparency in state government operations, we wanted to determine if that was the case and if it has changed. Figure 6 (see page 12) depicts where survey respondents reported instances of fraud, waste, abuse. A full reporting of the responses can be found in the Appendix B.

Figure 6

Where Employees Reported Fraud, Waste, or Abuse

State employees with first-hand knowledge of fraud, waste, or abuse in **2021** still tended to report it internally rather than externally. State employees reported these acts to similar parties in **2019**.



Source: Compiled by the Legislative Audit Division from online survey results.

We found state employees continue to report fraud, waste, and abuse internally. Most respondents who chose the 'Other' category provided answers indicating internal reporting, such as their bureau chief or office management. These 2021 hotline survey results continue to support the premise that agency internal controls are the first line of defense in the shared effort to promote accountability, compliance, and transparency in state government operations. Additionally, we are encouraged by the increase in reporting to internal audit functions in 2021 from 2019.

Our survey aimed to understand the reasons state employees did not report allegations of fraud, waste, and abuse to the LAD hotline. Figure 7 depicts the reasons why respondents did not use the ACT Hotline to report first-hand knowledge of fraud, waste, or abuse for each of the surveys.

Figure 7
Why Employees Did Not Use ACT Hotline

A significant percentage of respondents indicated they did not believe the ACT Hotline was the appropriate place to report.



Source: Compiled by the Legislative Audit Division from online survey results.

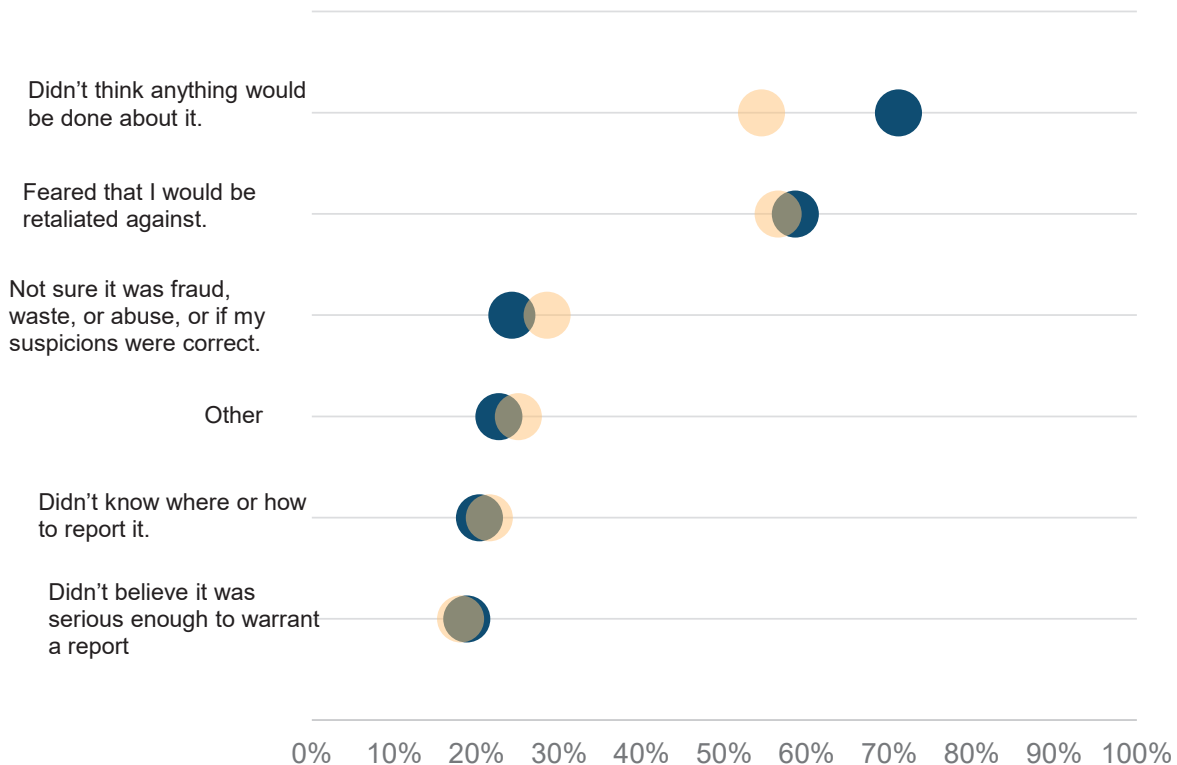
The figure shows that unawareness of the ACT Hotline remained the number one reason for not reporting to it. However, awareness of the ACT Hotline as a reporting mechanism has increased since 2019. We recognize a continued need to inform state employees of the existence of the hotline. We have made some progress but believe there are more opportunities to connect with state employees, such as social media. A large percentage of respondents indicated they did not believe the ACT Hotline was the appropriate place to report the allegation. We need to continue to educate state employees on when the ACT Hotline is the appropriate place to report allegations of fraud, waste, or abuse.

We asked the survey respondents with first-hand knowledge of fraud, waste, or abuse who did not report it to indicate why they did not report their knowledge. They were given six answer choices and were asked to check all that applied to their situation. Figure 8 depicts the reasons why employees did not report suspected fraud, waste, or abuse in each of the surveys.

Figure 8

Why Employees Did Not Report Suspected Fraud, Waste, or Abuse

Reasons for not reporting fraud, waste, and abuse in **2021** largely remained the same as reasons in **2019**, except for an increase in feeling nothing would be done about it.

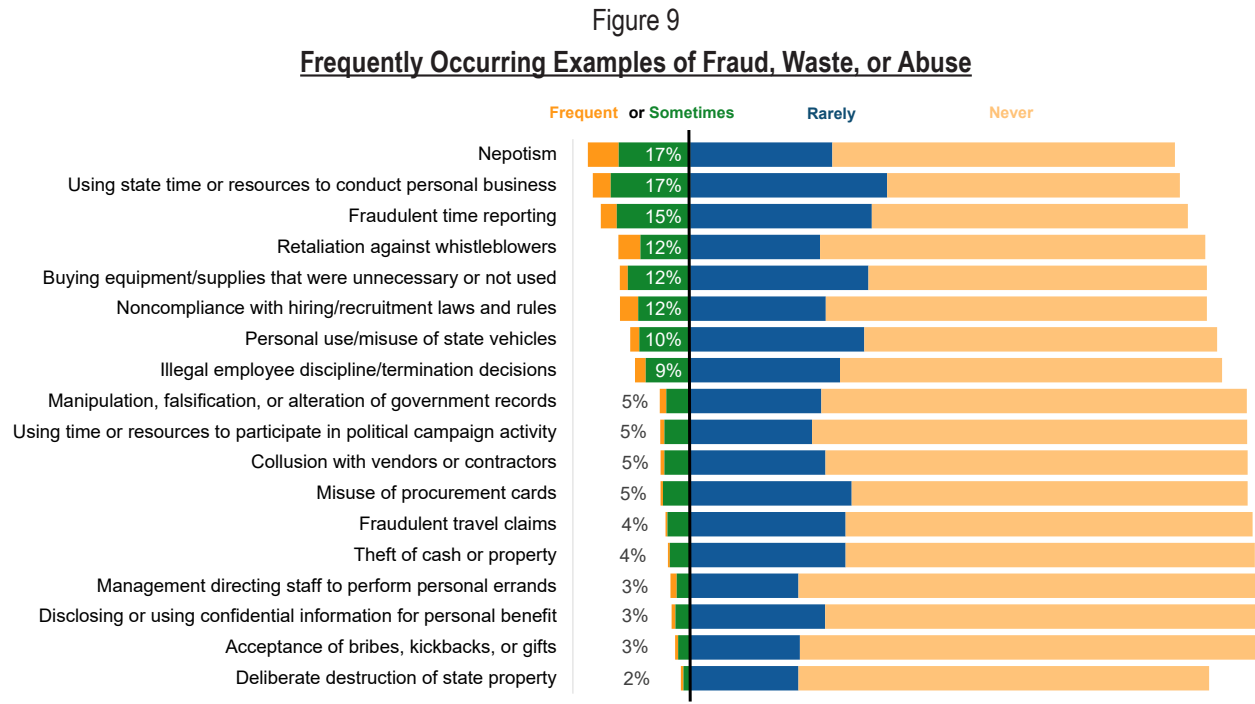


Source: Compiled by the Legislative Audit Division from online survey results.

The most common reasons given in 2019 was the reporter feared retaliation (57 percent) and they did not believe anything would be done about the issue (55 percent). The most common reasons given in 2021 was the reporter did not believe anything would be done about the issue (71 percent) and they feared retaliation (58 percent). These responses are troubling but not surprising. We believe our continued effort to increase awareness of the hotline and its confidential and anonymous nature will help build confidence in reporting to the hotline.

Perceived Prevalence of Fraud, Waste, and Abuse

In an effort to understand the perceptions of state employees about the prevalence of fraud, waste, and abuse, we gave survey respondents 18 examples of fraud, waste, or abuse that can occur in the public sector. We obtained these examples from previous ACT Hotline submissions and the 2020 report from the Association of Certified Fraud Examiners report referenced in Chapter I. The following figure depicts the types of fraud, waste, or abuse state employee respondents from the 2021 survey perceived were occurring in the agencies employing them in the previous two years. The most frequent types are shown first.



Source: Compiled by the Legislative Audit Division from online survey results.

The following table compares the five most common behaviors of fraud, waste, or abuse perceived by respondents between the 2019 and 2021 surveys.

Table 2
Top Five Behaviors of Fraud, Waste, or Abuse

| Rank | 2019 | % Frequent or Sometimes in 2019 | 2021 | % Frequent or Sometimes in 2021 |
|------|--|---------------------------------|---|---------------------------------|
| 1 | Nepotism | 22% | Nepotism | 17% |
| 2 | Using state time or resources to conduct personal business | 21% | Using state time or resources to conduct personal business | 17% |
| 3 | Fraudulent time reporting | 20% | Fraudulent time reporting | 15% |
| 4 | Noncompliance with hiring/recruitment laws and rules | 17% | Retaliation against whistleblowers | 12% |
| 5 | Retaliation against whistleblowers | 15% | Purchasing equipment or supplies that were unnecessary or were never used | 12% |

Source: Compiled by the Legislative Audit Division from online survey results.

As the figure and table above show, nepotism, using state time or resources to conduct personal business, and fraudulent time reporting were the most frequently occurring types of fraud, waste, and abuse perceived by state employees. The other types making the top five in the 2021 survey were retaliation against whistleblowers and purchasing supplies or equipment that were unnecessary or were never used. We believe some of the changes from 2019 are associated with the COVID-19 pandemic. However, we will continue to monitor these trends in future hotline surveys, and these survey results help inform our audit efforts.

Appendix A – Survey Methodology

Survey Administration

LAD biennially surveys a sample of state employees across the Executive and Judicial branches as well as the Montana University System (MUS). The survey population excludes the Legislative Branch and student employees of the MUS. We administered the first hotline survey in June 2019, which served as a baseline for analyzing trends over time. We administered the hotline survey again at the end of April 2021. In the same manner as we did for the 2019 hotline survey, we randomly selected a stratified sample of 6,000 employees for the 2021 hotline survey. The number of individuals selected to receive the survey from each agency was proportional to the size of the agency. Agencies with fewer than 100 employees were lumped into one stratum to help preserve anonymity. The 2021 survey was administered electronically at the end of April 2021.

Response Rate

The following table shows the response rate for the 2021 survey as well as the response rate for the first hotline survey in 2019.

Response Rates for 2019 and 2021 Hotline Surveys

| | Hotline Survey 2021 | Hotline Survey 2019 |
|---------------------------------|---------------------|---------------------|
| Number of surveys sent | 6,000 | 6,000 |
| Total respondents entered | 1,648 | 1,626 |
| Total respondents to FWA Quest. | 1,613 | 1,613 |
| Total respondents completed | 1,533 | 1,462 |
| Response rate (entered) | 27% | 27% |
| Response rate (completed) | 26% | 24% |

As the table shows, we achieved a very similar response rate in 2021 as we did for the 2019 hotline survey. While about the same number of people entered the survey in 2021, the completion rate was slightly higher in 2021 than in 2019.

The following table shows response rates by agency.

| Group | Entity | Surveys Sent | Responses | Response Rate |
|-------|---------------------|--------------|-----------|---------------|
| Large | HHS | 745 | 255 | 34% |
| | MDT | 562 | 241 | 43% |
| | DLI | 221 | 125 | 57% |
| | COR | 365 | 94 | 26% |
| | DOA | 246 | 91 | 37% |
| | DOR | 177 | 78 | 44% |
| | FWP | 207 | 77 | 37% |
| | DOJ | 246 | 67 | 27% |
| | DNR | 167 | 67 | 40% |
| | DEQ | 105 | 63 | 60% |
| | JUD | 131 | 45 | 34% |
| | DOC | 62 | 32 | 52% |
| | STF | 81 | 18 | 22% |
| | AGR | 29 | 15 | 52% |
| | OPI | 58 | 12 | 21% |
| MUS | MSU Bozeman | 1175 | 123 | 10% |
| | UM Missoula | 801 | 117 | 15% |
| | MSU Billings | 240 | 21 | 9% |
| | MSU Northern | 69 | 10 | 14% |
| | UM Western | 56 | 9 | 16% |
| | Great Falls College | 48 | 8 | 17% |
| | UM Montana Tech | 42 | 3 | 7% |
| | UM Helena | 8 | 0 | 0% |
| Small | MSL | | | |
| | LIV | | | |
| | SAO | | | |
| | HIS | | | |
| | MSDB | | | |
| | GOV | 159 | 77 | 48% |
| | DMA | | | |
| | SOS | | | |
| | ART | | | |
| | PSC | | | |
| | CPP | | | |
| | BPE | | | |
| Total | | 6000 | 1648 | |

We asked two demographic questions in the 2019 survey, including agency affiliation and tenure/length of service. We added two demographic variables to the 2021 survey, gender and education. We added these variables to enhance our ability to assess and account for non-response bias. Together, these four demographic variables were the basis for our analysis on non-response for the 2021 survey.

The first step in non-response analysis was to analyze the demographic characteristics of respondents to see if there were significant differences between them and the population. We had population demographics on agency size readily available. We used the Department of Administration's 2020 state employee profile report for population statistics on gender, though this report did not include any information on "Other" gender categories. We used the distribution of tenure from the 2019 survey, assuming the state employee workforce has not drastically changed in this area in two years. However, we were unable to identify population-level information on education. The table below compares the demographic characteristics of respondents to those of the population for the 2021 hotline survey.

2021 Hotline Survey – Demographics

| | Population | Respondents |
|----------------------------------|------------|-------------|
| Agency | | |
| Large | 57% | 77% |
| University | 41% | 18% |
| Small | 3% | 5% |
| Tenure | | |
| 0-10 Years | 59% | 54% |
| 11-20 Years | 27% | 28% |
| 21-30 Years | 11% | 13% |
| More than 30 Years | 3% | 5% |
| Gender | | |
| Male | 50% | 42% |
| Female | 50% | 57% |
| Other | Unknown | 1% |
| Education | | |
| Less than high school degree | Unknown | <1% |
| High school degree or equivalent | Unknown | 7% |
| Some college but no degree | Unknown | 16% |
| Associate degree | Unknown | 11% |
| Bachelor's degree | Unknown | 39% |
| Graduate degree | Unknown | 26% |

As the table shows, the large agencies were slightly over-represented in our response set, and the MUS was under-represented. Our 2019 hotline survey also under-represented the MUS. We suspected that was due to the timing of the administration of the survey. While we adjusted the timing of survey administration for the 2021 survey, this did not appear to achieve a much more representative response from the MUS units.

We saw a slight underrepresentation of less tenured employees and a slight overrepresentation of more tenured employees. This could be a symptom of the under-representation of the MUS. We also saw more females than males responded to the survey compared to the proportion in the population. This was not surprising, however, as research indicates females are more likely to participate in online surveys. We were unable to determine the representativeness of the respondents across education levels. The percentage of state employees with bachelor's degrees or above was about 65 percent, which aligns with common perception. Overall, the biggest non-response issue appeared to be with the Agency Size demographic, particularly underrepresentation from the MUS and overrepresentation of large agencies.

To determine whether weighting of responses was appropriate, we reviewed crosstabs of responses to see which demographic variables appeared to have the greatest impact on the responses. For example, if males and females gave very similar answers, weighting by gender was not necessary. If males and females answered very differently and one gender was significantly over- or under-represented in the sample, non-response weighting might have been appropriate. The following sections discuss our consideration of non-response weighting based on crosstabulation on demographic characteristics.

Agency Size

First, we looked at agency size. The table below cross-tabulates agency size with responses for questions related to first-hand knowledge of fraud, waste, or abuse.

Responses to FWA Questions by Agency Size

| Agency Size | Question 5 - FRAUD | Question 7 - ABUSE | Question 6 - WASTE | Respondents |
|-------------|-----------------------|-----------------------|-----------------------|-------------|
| Large | 5% | 7% | 13% | 1,257 |
| MUS | 1% | 3% | 8% | 284 |
| Small | 1% | 6% | 10% | 72 |

Employees from larger agencies had first-hand knowledge of fraud, waste, or abuse at higher percentages than employees from the MUS or from smaller agencies. Small agencies were a relatively small portion of the respondents.

Tenure

Next, we looked at tenure. The table below cross-tabulates tenure/length of service with responses for questions related to first-hand knowledge of fraud, waste, or abuse.

Responses to FWA Questions by Tenure

| Tenure | Question 5 - FRAUD | Question 7 - ABUSE | Question 6 - WASTE | Respondents |
|--------------------|-----------------------|-----------------------|-----------------------|-------------|
| 0-10 Years | 4% | 7% | 12% | 874 |
| 11-20 Years | 5% | 6% | 13% | 439 |
| 21-30 Years | 5% | 7% | 14% | 210 |
| More Than 30 Years | 2% | 0% | 6% | 90 |

There is minimal variability in response across the 0-to-30-year categories. Individuals with more than 30 years with the state had lower rates of first-hand knowledge of fraud, waste, or abuse. However, this was a relatively small portion of respondents.

Gender

Then, we looked at gender. The table below cross-tabulates gender with responses for questions related to first-hand knowledge of fraud, waste, or abuse.

Responses to FWA Questions by Gender

| Gender | Question 5 - FRAUD | Question 7 - ABUSE | Question 6 - WASTE | Respondents |
|--------|-----------------------|-----------------------|-----------------------|-------------|
| Male | 4% | 7% | 14% | 676 |
| Female | 4% | 6% | 10% | 920 |
| Other | 6% | 30% | 12% | 17 |

The table shows that males and females responded similarly on the fraud and abuse questions, but less so on the waste question. The “Other” category deviated considerably from males and females on the abuse question. However, this is a very small group of respondents. Interestingly, males had higher rates of first-hand knowledge of abuse and waste, though not as significantly so for abuse. This was contrary to empirical research indicating that males are more tolerant of workplace misconduct and are less likely to report it. The difference between males and females on the waste question was statistically significant.

Education

Lastly, we considered education, our fourth demographic variable. The table below cross-tabulates education level with responses for questions related to first-hand knowledge of fraud, waste, or abuse.

Responses to FWA Questions by Education Level

| Education | Question 5 - FRAUD | Question 7 - ABUSE | Question 6 - WASTE | Respondents |
|----------------------------------|-----------------------|-----------------------|-----------------------|-------------|
| Less than high school degree | 25% | 25% | 50% | 4 |
| High school degree or equivalent | 5% | 6% | 11% | 113 |
| Some college but no degree | 7% | 10% | 15% | 263 |
| Associate degree | 4% | 10% | 11% | 177 |
| Bachelor's degree | 4% | 4% | 13% | 632 |
| Graduate degree | 3% | 5% | 10% | 424 |

The “Less than high school degree” category stood out the most. However, there were only four respondents in this category, so weighting because of this difference alone would be unwise. Of the other categories, the “Some college but no degree” category had higher rates of first-hand knowledge of fraud, waste, or abuse, especially compared to the “Graduate degree” category. However, variability in responses across all education levels (excluding the “Less than high school” category) appears to be somewhat minimal.

Overall, we did not find weighting of the data necessary for the 2021 hotline survey. While we did identify some areas of non-response, such as across agency size and gender, we did not find substantial enough differences to warrant weighting. For example, while males and females answered differently on the waste question, they answered similarly on the fraud and abuse questions. Weighting did not appear to significantly change the results. Additionally, respondent weighting comes with a price in the form of

reduced precision (i.e., increased margin of error). Recent studies have also shown that even the most effective weighting procedures are unable to remove most of the bias.

However, a best practice is to compare weighted and unweighted data. We considered how weighting the data based on agency size, tenure, and gender would affect the results. We were unable to consider weighting based on education because we did not know the distribution of education levels across the state employee population. We used a common weighting method called iterative proportional fitting, otherwise known as raking, to calculate weights. Raking adjusts a weight for each respondent in an iterative process until the sample distribution aligns with the population distribution, when the population distribution is known. We used this method to match the agency size, gender, and tenure ratios in the sample to those of the population. We opted to cap weights at 2, since a good rule-of-thumb for weighting is to never weight a respondent less than 0.5 or more than 2.0 (i.e., a 200% weighting). Overall, we found that the results of the survey did not change much when the respondents are weighted. Below is a table comparing the unweighted and weighted results.

Unweighted Vs Weighted Results

| | Question 5 - FRAUD | Question 7 - ABUSE | Question 6 - WASTE | Respondents |
|--|--------------------------|--------------------------|--------------------------|-------------|
| Unweighted | 4.34% | 6.14% | 12.34% | 1,613 |
| Weighted on Gender and Tenure | 4.25% | 6.39% | 12.78% | 1,613 |
| Weighted on Agency Size, Gender, and Tenure | 3.7% | 5.9% | 12.0% | 1,613 |

As discussed earlier in this document, the biggest non-response issue came from the under-representation of the MUS. However, weighting based on Agency Size (i.e., Large, MUS, or Small) along with Gender and Tenure had a minimal effect on the overall results. Therefore, we did not find weighting necessary for the 2021 survey.

Appendix B – Full Survey Results

Appendix B includes the questions asked on the survey and the answer choices for each. The tables after each question provide the response rate as a percentage and the number of responses. Some questions show a 95 percent confidence interval in addition to the point estimates. The tables for each question also show the number of respondents answering the question. You will notice that the number of respondents (n) is not the same for each question. This is because we employed what is termed “skip logic” in our survey to ensure that survey recipients were only shown questions that applied to them. For example, if someone responded that they did not have first-hand knowledge of fraud, waste, or abuse, then they would not get the question about where they reported fraud, waste, or abuse. Additionally, even the questions that applied to all survey respondents show different numbers of respondents. This is because some survey respondents started the survey but did not finish it. We indicated in italics below each question whether it applied to all respondents as well as whether and how skip logic was used.

Question 1 - Which agency of state government do you work for?

For all survey recipients. No skip logic.

| Answer Choices | Responses | |
|--|-----------|-----|
| Arts Council | 0.30% | 5 |
| Board of Public Education | 0.06% | 1 |
| Commissioner of Political Practices | 0.06% | 1 |
| Department of Administration | 5.52% | 91 |
| Department of Agriculture | 0.91% | 15 |
| Department of Commerce | 1.94% | 32 |
| Department of Corrections | 5.70% | 94 |
| Department of Environmental Quality | 3.82% | 63 |
| Department of Justice | 4.07% | 67 |
| Department of Labor and Industry | 7.58% | 125 |
| Department of Livestock | 0.55% | 9 |
| Department of Military Affairs | 0.36% | 6 |
| Department of Natural Resources and Conservation | 4.07% | 67 |
| Department of Public Health and Human Services | 15.47% | 255 |
| Department of Revenue | 4.73% | 78 |
| Department of Transportation | 14.62% | 241 |
| Fish, Wildlife, and Parks | 4.67% | 77 |
| Great Falls College | 0.49% | 8 |
| Governor's Office | 0.49% | 8 |
| Historical Society | 0.55% | 9 |
| Judicial Branch | 2.73% | 45 |
| Montana School for the Deaf and Blind | 0.49% | 8 |
| Montana State Library | 0.67% | 11 |
| Montana State University-Billings | 1.27% | 21 |
| Montana State University-Bozeman | 7.46% | 123 |
| Montana State University-Northern | 0.61% | 10 |
| Office of Public Instruction | 0.73% | 12 |

| | | |
|------------------------------------|------------------|-----|
| Public Service Commission | 0.24% | 4 |
| Secretary of State | 0.36% | 6 |
| State Auditor's Office | 0.55% | 9 |
| State Fund | 1.09% | 18 |
| University of Montana-Helena | 0.00% | 0 |
| University of Montana-Missoula | 7.10% | 117 |
| University of Montana-Montana Tech | 0.18% | 3 |
| University of Montana-Western | 0.55% | 9 |
| | n = 1,648 | |

Question 2 - How many years have you worked for the state of Montana?

For all survey recipients. No skip logic.

| Answer Choices | Responses | |
|----------------|------------------|-----|
| 0-10 | 53.88% | 888 |
| 11-20 | 27.55% | 454 |
| 21-30 | 13.05% | 215 |
| More than 30 | 5.52% | 91 |
| | n = 1,648 | |

Question 3 – What is your gender?

For all survey recipients. No skip logic.

| Answer Choices | Responses | |
|-----------------|------------------|-----|
| Female | 57.22% | 943 |
| Male | 41.75% | 688 |
| Other (specify) | 1.03% | 17 |
| | n = 1,648 | |

Question 4 – What is the highest level of education you have completed or the highest degree you have received?

For all survey recipients. No skip logic.

| Answer Choices | Responses | |
|--|------------------|-----|
| Less than high school degree | 0.24% | 4 |
| High school degree or equivalent (e.g., GED) | 6.98% | 115 |
| Some college but no degree | 16.44% | 271 |
| Associate degree | 10.92% | 180 |
| Bachelor's degree | 39.20% | 646 |
| Graduate degree | 26.21% | 432 |
| | n = 1,648 | |

Question 5 - The following is a definition of FRAUD: Any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means. In the past two years, do you have any first-hand knowledge of fraud occurring in the agency you are currently working for?

For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|------------------|
| Yes | 3.35% | 4.34% | 5.33% | 70 |
| No | 94.67% | 95.66% | 96.65% | 1,543 |
| | | | | n = 1,613 |

Question 6 - The following is a definition of WASTE: An unintentional, thoughtless or careless expenditure, consumption, mismanagement, use or squandering of government resources to the detriment or potential detriment of the state. In the past two years, do you have any first-hand knowledge of waste occurring in the agency you are currently working for?

For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|------------------|
| Yes | 10.73% | 12.34% | 13.95% | 199 |
| No | 86.05% | 87.66% | 89.27% | 1,414 |
| | | | | n = 1,613 |

Question 7 - The following is a definition of ABUSE: An intentional, wrongful, or improper use or destruction of government resources, or seriously improper practice that does not involve prosecutable fraud. In the past two years, do you have any first-hand knowledge of abuse occurring in the agency you are currently working for?

For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|------------------|
| Yes | 4.97% | 6.14% | 7.31% | 99 |
| No | 92.69% | 93.86% | 95.03% | 1,514 |
| | | | | n = 1,613 |

Question 8 - Which of the following describes whether you had first-hand knowledge of fraud, waste, or abuse AND your course of action?

For all survey recipients. If respondents answered 'No,' they were referred to Question 13. If respondents answered 'Yes, and I reported the instance,' they went on to Question 9. If respondents answered 'Yes, but I did not report the instance,' they were referred to Question 12.

| Answer Choices | Responses | |
|--|------------------|-------|
| No, I do not have first-hand knowledge of fraud, waste, or abuse in the last two years. | 87.42% | 1,397 |
| Yes, I have first-hand knowledge of fraud, waste, or abuse in the last two years and I reported the instance(s). | 4.51% | 72 |
| Yes, I have first-hand knowledge of fraud, waste, or abuse in the last two years and I did not report the instance(s). | 8.07% | 129 |
| | n = 1,598 | |

Question 9 - Did you report the instance(s) to the Legislative Audit Division Hotline?

If respondents answered 'Yes,' we asked them questions about their satisfaction with the Hotline. These questions are not shown, as only one individual responded 'Yes.' If respondents answered 'No,' they moved on to Question 10.

| Answer Choices | Responses | |
|----------------|---------------|----|
| Yes | 1.35% | 1 |
| No | 98.65% | 73 |
| | n = 74 | |

Question 10 - To whom did you report the instance(s) of fraud, waste, or abuse? (Check all that apply)

If respondents did not choose the Legislative Audit Division Hotline, they moved on to Question 11.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|---|----------------|----------------|----------------|-----------|
| Agency management (immediate supervisor) | 65.66% | 75.71% | 85.76% | 53 |
| Agency human resources | 9.46% | 18.57% | 27.68% | 13 |
| Executive management (director or elected official) | 5.02% | 12.86% | 20.70% | 9 |
| Agency internal audit function | 1.11% | 7.14% | 13.17% | 5 |
| Local law enforcement or county attorney | -1.35% | 1.43% | 4.21% | 1 |
| Federal officials or law enforcement | -1.35% | 1.43% | 4.21% | 1 |
| Legislative Audit Division Hotline | 0.00% | 0.00% | 0.00% | 0 |
| Montana Department of Justice | 0.00% | 0.00% | 0.00% | 0 |
| External advocacy or interest group | 0.00% | 0.00% | 0.00% | 0 |
| Montana Citizens' Advocate Office (Governor's Office) | 0.00% | 0.00% | 0.00% | 0 |
| Media | 0.00% | 0.00% | 0.00% | 0 |
| Other (please specify) | 14.24% | 24.29% | 34.34% | 17 |
| | n = 70 | | | |

Question 11 - In previous questions, you indicated you had first-hand knowledge of fraud, waste or abuse occurring in the past two years in the agency you are currently working for. Why didn't you use the Legislative Audit Division Hotline to report this?

No skip logic applied to this question.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|--|----------------|----------------|----------------|-----------|
| I knew about the Hotline, but couldn't find information on how to make contact | 0.00% | 0.00% | 0.00% | 0 |
| I didn't think my allegations would be taken seriously | -1.37% | 1.45% | 4.27% | 1 |
| I wasn't sure that I would be able to remain anonymous | -0.46% | 4.35% | 9.16% | 3 |
| I decided to use a different reporting mechanism | 1.13% | 7.25% | 13.37% | 5 |
| I was worried about retaliation against me | 4.04% | 11.59% | 19.14% | 8 |
| I did not believe it was the appropriate place to report in this situation | 15.73% | 26.09% | 36.45% | 18 |
| I was not aware there was a Hotline for reporting fraud, waste, or abuse | 23.54% | 34.78% | 46.02% | 24 |
| Other | 6.18% | 14.49% | 22.80% | 10 |
| n = 69 | | | | |

Question 12 - Check the reasons why you did not report the suspected fraud, waste, or abuse. (Check all that apply)

No skip logic applied to this question.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|---|----------------|----------------|----------------|-----------|
| I didn't think anything would be done about it, even if I reported it. | 63.24% | 71.09% | 78.94% | 91 |
| I feared that I would be retaliated against if I reported it. | 50.06% | 58.59% | 67.12% | 75 |
| I was not sure it was fraud, waste, or abuse, or if my suspicions were correct. | 16.80% | 24.22% | 31.64% | 31 |
| I didn't know where or how to report it. | 13.34% | 20.31% | 27.28% | 26 |
| I didn't believe it was serious enough to warrant a report | 11.99% | 18.75% | 25.51% | 24 |
| Other | 15.41% | 22.66% | 29.91% | 29 |
| n = 128 | | | | |

For all survey recipients. No skip logic.

| Examples | Frequent | | Sometimes | | Rare | | Never | | Total |
|---|----------|----|-----------|-----|--------|-----|--------|------------------|-------|
| Deliberate destruction of state property | 0.32% | 5 | 3.50% | 54 | 26.46% | 408 | 69.71% | 1,075 | 1,542 |
| Acceptance of bribes, kickbacks, or gifts | 0.39% | 6 | 4.67% | 72 | 27.50% | 424 | 67.44% | 1,040 | 1,542 |
| Disclosing or using confidential information for personal benefit | 0.32% | 5 | 3.89% | 60 | 26.46% | 408 | 69.33% | 1,069 | 1,542 |
| Management directing staff to perform personal errands | 1.10% | 17 | 4.09% | 63 | 22.31% | 344 | 72.50% | 1,118 | 1,542 |
| Theft of cash or property | 1.56% | 24 | 8.69% | 134 | 29.64% | 457 | 60.12% | 927 | 1,542 |
| Fraudulent travel claims | 0.52% | 8 | 2.08% | 32 | 18.68% | 288 | 78.73% | 1,214 | 1,542 |
| Misuse of procurement cards | 5.25% | 81 | 12.19% | 188 | 24.19% | 373 | 58.37% | 900 | 1,542 |
| Collusion with vendors or contractors | 0.65% | 10 | 4.41% | 68 | 23.02% | 355 | 71.92% | 1,109 | 1,542 |
| Using state time or resources to participate in political campaign activity | 3.11% | 48 | 8.88% | 137 | 23.09% | 356 | 64.92% | 1,001 | 1,542 |
| Manipulation, falsification, or alteration of government records | 2.72% | 42 | 12.52% | 193 | 30.93% | 477 | 53.83% | 830 | 1,542 |
| Illegal employee discipline/termination decisions | 1.82% | 28 | 7.59% | 117 | 25.49% | 393 | 65.11% | 1,004 | 1,542 |
| Personal use/misuse of state vehicles | 1.04% | 16 | 2.33% | 36 | 18.42% | 284 | 78.21% | 1,206 | 1,542 |
| Noncompliance with hiring/recruitment laws and rules | 1.36% | 21 | 10.64% | 164 | 30.35% | 468 | 57.65% | 889 | 1,542 |
| Purchasing equipment or supplies that were unnecessary or were never used | 0.45% | 7 | 1.17% | 18 | 18.42% | 284 | 79.96% | 1,233 | 1,542 |
| Retaliation against whistleblowers | 3.05% | 47 | 13.55% | 209 | 33.53% | 517 | 49.87% | 769 | 1,542 |
| Fraudulent time reporting | 0.65% | 10 | 2.53% | 39 | 22.96% | 354 | 73.87% | 1,139 | 1,542 |
| Using state time or resources to conduct personal business | 0.71% | 11 | 4.41% | 68 | 20.75% | 320 | 74.12% | 1,143 | 1,542 |
| Nepotism | 3.76% | 58 | 8.50% | 131 | 22.11% | 341 | 65.63% | 1,012 | 1,542 |
| Other (please specify) | | | | | | | | | 60 |
| | | | | | | | | n = 1,542 | |

Question 14 - Does your agency have a policy for reporting suspected fraud, waste, or abuse?
For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 53.23% | 55.71% | 58.19% | 858 |
| No | 0.48% | 0.97% | 1.46% | 15 |
| I don't know | 40.84% | 43.31% | 45.78% | 667 |
| n = 1,540 | | | | |

Question 15 - Does your agency provide training for staff on how to report suspected fraud, waste, or abuse?
For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 29.77% | 32.10% | 34.43% | 494 |
| No | 15.89% | 17.80% | 19.71% | 274 |
| I don't know | 47.60% | 50.10% | 52.60% | 771 |
| n = 1,539 | | | | |

Question 16 - Prior to taking this survey, were you aware that the Legislative Audit Division has a hotline for reporting fraud, waste, or abuse in state government?
For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 40.59% | 43.07% | 45.55% | 662 |
| No | 54.45% | 56.93% | 59.41% | 875 |
| n = 1,537 | | | | |

Question 17 - Did you know that state law protects state employees from retaliation when they report suspected fraud, waste, or abuse using the Legislative Audit Division Hotline?
For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 60.63% | 63.04% | 65.45% | 969 |
| No | 34.55% | 36.96% | 39.37% | 568 |
| n = 1,537 | | | | |

Question 18 - On a scale of 1-5, with a 1 being a low level of confidence and 5 being a high level of confidence, how confident are you that you would be protected from retaliation if you reported suspected fraud, waste, or abuse to the Legislative Audit Division?

For all survey recipients. No skip logic.

| 1 = Low Level of Confidence | 2 | 3 | 4 | 5 = High Level of Confidence | Total | Weighted Average |
|-----------------------------|------------|------------|------------|------------------------------|-------|------------------|
| 14.58% 224 | 12.89% 198 | 25.26% 388 | 26.89% 413 | 20.38% 313 | 1536 | 3.26 |
| n = 1536 | | | | | | |

Question 19 - Did you know the Legislative Audit Division Hotline allows you to report waste, fraud, and abuse in state government anonymously and confidentially?

For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 45.74% | 48.24% | 50.74% | 741 |
| No | 49.26% | 51.76% | 54.26% | 795 |
| n = 1,536 | | | | |

Question 20 - On a scale of 1-5, with a 1 being a low level of confidence and 5 being a high level of confidence, how confident are you that your anonymity and confidentiality would be protected if you reported suspected fraud, waste or abuse to the Legislative Audit Division?

For all survey recipients. No skip logic.

| 1 = Low Level of Confidence | 2 | 3 | 4 | 5 = High Level of Confidence | Total | Weighted Average |
|-----------------------------|------------|------------|------------|------------------------------|-------|------------------|
| 12.59% 193 | 13.89% 213 | 24.01% 368 | 29.16% 447 | 20.35% 312 | 1533 | 3.31 |
| n = 1533 | | | | | | |

Question 21 - Do you think you will use the Legislative Audit Division Hotline in the future if you become aware of suspected fraud or abuse?

For all survey recipients. No skip logic.

| Answer Choices | Lower Estimate | Point Estimate | Upper Estimate | Responses |
|----------------|----------------|----------------|----------------|-----------|
| Yes | 83.28% | 85.06% | 86.84% | 1,304 |
| No | 13.16% | 14.94% | 16.72% | 229 |
| n = 1,533 | | | | |