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February 13, 2020

Report #19-203

Dr. Ellen J. Neufeldt, President
California State University San Marcos
333 S. Twin Oaks Valley Road
San Marcos, CA 92096

Dear Dr. Neufeldt:

Pursuant to a request from your office and approval from the Chair of the Board of Trustees' Committee on Audit on July 29, 2019, Audit and Advisory Services has conducted an investigation in response to allegations raised by a whistleblower. Specifically, we investigated allegations that the dean of Extended Learning at California State University San Marcos inappropriately used his expense account for personal meals and events, claimed business expenses for meals with individuals with whom he never met, and spent excessively on international travel.

We substantiated all of the allegations. We found that the dean submitted fraudulent hospitality claims in at least 33 instances for the period from July 1, 2017, to June 30, 2019. Attendees the dean listed on many of his hospitality meal claims stated they were not at the meal. Further, the dean engaged in excessive spending by frequently staying at hotels that exceeded the allowable California State University hotel maximum and claiming reimbursement for business-class airfare with either inadequate or no justification.

We also found that the dean sought and received reimbursement for expenses that were personal in nature under the guise of university business. These expenses included trips to a concert and professional football and baseball games with family and friends. Additionally, the dean made 18 duplicate claims for meal and incidental expenses using a combination of travel expense and hospitality expense claims. He also claimed reimbursement twice for the same six nights of international hotel accommodation using two separate travel expense claims.

Included within the report are the results of the investigation, along with specific recommendations that we believe would benefit the campus's fiscal and operational management.

Sincerely,



Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Jack McGrory, Chair, Committee on Audit
Timothy P. White, Chancellor

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SPECIAL INVESTIGATION
CALIFORNIA STATE UNIVERSITY SAN MARCOS
FRAUDULENT REIMBURSEMENT CLAIMS AND EXCESSIVE SPENDING

Investigative Report 19-203
January 27, 2020

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ABBREVIATIONS

ASU	Arizona State University
Campus Corporation	California State University San Marcos University Auxiliary and Research Services Corporation of California State University San Marcos
CSU	California State University
EL	Extended Learning
LAX Office	Los Angeles International Airport Office of Global Education
State Department	United States Department of State

EXECUTIVE SUMMARY

ALLEGATIONS

It was alleged that the dean of the extended learning (EL) department at California State University San Marcos (campus) misused state funds. Specifically, it was alleged that the dean: (1) inappropriately used his expense account for personal meals and events, (2) claimed business expenses for meals with individuals with whom he never met, and (3) spent excessively on international travel.

INVESTIGATIVE RESULTS – INITIAL ALLEGATIONS

We substantiated all of the allegations. Because there was overlap between these categories and related issues, we grouped our findings into the categories below. In addition, we noted an ancillary finding regarding a deficient approval process for the dean's expense claims.

The Dean Submitted Fraudulent Hospitality Claims

For the period from July 1, 2017, to June 30, 2019, the dean sought and received reimbursement for 182 hospitality expenditures totaling \$36,675. Campus policy requires that each hospitality expenditure be accompanied by a payment request form that includes a description of the event and a list of the attendees and explains how the event benefits the mission of the campus. We found that this information on the dean's payment request forms was fraudulent in at least 33 instances.

The Dean Claimed Reimbursement for Expenses That Were Personal in Nature

The dean sought and received reimbursement for expenses that were personal in nature under the guise of university business. Examples of these expenses include trips to a concert and professional football and baseball games, as well as a cross-country road trip, all taken with family and friends.

The Dean Engaged in Excessive Spending

The dean frequently stayed at hotels that exceeded the allowable California State University (CSU) hotel maximum. The most egregious example of this was when he chose to stay at a luxury hotel in Seville, Spain, for a nightly rate of \$635, despite a maximum allowable rate of \$163 a night. We found 22 additional instances of the dean selecting hotels that far exceeded the allowable rates, by a total of \$5,313. In addition, he claimed reimbursement for business-class airfare with either inadequate or no justification. He also claimed excessive meal reimbursements while on domestic and international trips.

The Dean Made Duplicate Claims for Reimbursement

The dean claimed reimbursement for 18 duplicate meal and incidental expenses using a combination of travel expense and hospitality expense claims. Each time the two differing claims were for meals and incidentals on the same dates. The most common way the dean did this was by requesting reimbursement for a meal on a travel expense claim and then claiming the same meal using a hospitality expense claim, which he did 11 times. On one occasion, he submitted the same receipt twice, citing different attendees and meeting purposes each time.

The Dean Could Not Recall Pertinent Details

When we questioned the dean about his trips and the related reimbursement claims, he repeatedly responded to our questions by saying that he could not recall or did not remember pertinent pieces of information.

INVESTIGATIVE RESULTS – ANCILLARY FINDING

Deficient Approval Process

The final approval of the dean's travel and hospitality claims typically was the responsibility of his supervisor, the provost for academic affairs. During the two years in the scope of our review, the former provost for academic affairs and his delegate, the vice provost, reviewed and approved the dean's claims. Both said they did not review the dean's claims very carefully, as they trusted others to do so.

INTRODUCTION

BACKGROUND

Extended Learning and the Office of Global Education¹

EL at the campus serves as the academic outreach arm of the university and is a unit within the campus's Academic Affairs division. It provides continuing education and training programs. EL offerings include undergraduate and graduate degrees, global education, professional certificates, online courses, and lifelong learning programs. The Office of Global Education (office) works to internationalize the campus educational experience through a wide variety of initiatives. On campus, the office promotes and supports efforts to internationalize curricula and gives students opportunities to study abroad. Across the world, the office works to increase the number and diversity of international students on campus, support international faculty collaboration, and foster links with institutions of higher education in other countries.

The Dean's Role

The dean of EL reports to the provost of Academic Affairs and is responsible for the direction and leadership of all activities and programs within EL. In addition to his responsibilities within EL, the dean was responsible for expanding and enhancing the campus's global education programs. Examples of such programs include study abroad for students at partner universities worldwide and international student recruitment and advising.

Expense Reimbursements

Travel Expense Reimbursements

The CSU reimburses employees for travel expenses that are ordinary, reasonable, not extravagant, and necessary to conduct official university business. The campus requires travelers to follow CSU systemwide travel policy and the campus travel handbook. Before travel occurs, travelers must complete a travel authorization form that describes the purpose of the trip, which should answer the question, "Does the trip benefit the CSU?" Within 30 days of their return, travelers must complete and submit a travel expense claim form. Travelers must provide itemized receipts for travel expenses of \$75 or more to obtain reimbursement and must clearly identify and pay for any personal expenses incurred. All expenditures for a trip should be reported on one travel expense claim, and any previously reimbursed amounts related to a trip should be detailed on the claim. Supplemental claims may be submitted if necessary but must be clearly marked "supplemental" and must identify the original claim submitted in connection with the travel.

¹ The information in this paragraph comes from the campus website and EL materials.

INTRODUCTION

For domestic travel, travelers are allowed reimbursement only for actual costs incurred; no per diem amounts are allowed². Travelers may claim up to \$55 a day for meals and \$7 for incidentals. For international travel, the CSU has adopted the federal per diem rates set by the United States Department of State (State Department).

Hospitality Expense Reimbursements

Hospitality includes the purchase of any food or beverages for official business. The majority of the dean's hospitality reimbursements were for restaurant expenses for what the dean described as business meetings. In accordance with CSU and campus policies, hospitality expenses may be paid to the extent that such expenses are necessary, appropriate to the occasion, reasonable in amount, and serve a purpose consistent with the mission and fiduciary responsibilities of the CSU. The dean's hospitality expenses were reimbursed from both the campus and University Auxiliary and Research Services Corporation (Corporation). Similar to the CSU and campus policies, the Corporation's hospitality policy describes hospitality expenses as allowable as long as they directly relate to, or are associated with, the active conduct of official campus, CSU, and Corporation business. Campus and Corporation policies require each hospitality expenditure to be accompanied by a payment request form that includes a description of the event and how it benefits the mission of the campus and the list of attendees. Hospitality expenditures that are of a personal nature are not allowed. The campus and Corporation have set maximum per-person costs for each hospitality meal at \$25 for breakfast, \$50 for lunch, and \$75 for dinner.

² A per diem is the daily allowance paid to employees for expenses incurred while traveling for business. This allowance is in lieu of paying actual travel expenses.

CAMPUS ACTIONS AND NOTIFICATIONS

On June 27, 2019, a whistleblower sent a letter to the chancellor, campus president, and others alleging the misuse of state funds by the dean of EL. Specifically, the whistleblower alleged that the dean of EL used his expense account for personal meals and events and claimed them as legitimate business expenses with people he never entertained. The whistleblower also alleged excessive spending by the dean on international travel. On July 29, 2019, the campus president requested that the Office of the Chancellor conduct an investigation into the concerns raised by the whistleblower. The request was endorsed by the chancellor on July 29, 2019, and approved by the chair of the Board of Trustees' Committee on Audit on the same day.

SCOPE AND METHOD OF INVESTIGATION

To investigate the allegations, we reviewed 228 reimbursement claims submitted to the campus, Corporation or California State University San Marcos Foundation by or on behalf of the dean for the period from July 1, 2017, to June 30, 2019, and determined whether those claims were in compliance with applicable criteria. Our review of the claims was complicated by the fact that different travel expenses related to the same trip were sometimes submitted on multiple claims and at different times.

Due to the large number of reimbursement claims submitted by the dean and the repetition of similar findings, the information presented in this report does not reflect a comprehensive list of all the findings related to the dean's reimbursement claims.

The criteria we reviewed included campus, systemwide, and federal policies and procedures related to travel and hospitality reimbursements. In addition, we interviewed campus employees involved in the submission, review, and approval process for reimbursements, including the dean. Although we were able to interview the dean, our time with him was limited. We also interviewed several individuals the dean alleged were attendees for various meetings he claimed as hospitality expenses to determine whether they were, in fact, in attendance.

We obtained and reviewed email and calendar information, as well as leave records, for the dean and his spouse (who is also a campus employee) and compared that information to representations made on the dean's reimbursement claims. Further, we researched online information related to locations and activities cited in the reimbursement claims.

RESULTS OF INVESTIGATION

ALLEGATIONS AND FINDINGS

It was alleged that the dean of the EL department at the campus misused state funds. Specifically, it was alleged that the dean: (1) inappropriately used his expense account for personal meals and events, (2) claimed business expenses for meals with individuals with whom he never met, and (3) spent excessively on international travel.

INVESTIGATIVE RESULTS – INITIAL ALLEGATIONS

We substantiated all of the allegations. Because there was overlap between these categories and related issues, we grouped our findings into the categories below. In addition, we noted an ancillary finding regarding a deficient approval process for the dean's expense claims.

The Dean Submitted Fraudulent Hospitality Claims

The dean fraudulently claimed reimbursement for at least 33 meals.³ We reviewed 182 hospitality meal claims totaling \$36,675 for the period between July 1, 2017, and June 30, 2019. We identified 46 of those meals that had campus, CSU, or EL professionals listed as attendees and contacted those individuals. Attendees listed on 32 (70 percent) of the meals stated that they were not at the meal. Of those, two attendees listed on the claim for one meal stated that they did not know the dean. In that instance, the dean claimed to be on a campus visit at the west campus of Arizona State University (ASU) in Glendale, Arizona, "to discuss EL online programs and military liaison." The two ASU employees the dean claimed to have met with worked at a different ASU campus in Scottsdale, Arizona, about 30 minutes away. When confronted with this information, the dean said he met with someone at the campus, but did not know who or the date of that meeting.

In another fraudulent claim for a hospitality event, the dean claimed \$403 from a meal at Fleming's Steakhouse on February 14, 2019. According to the receipt, there was a party of four and the order included an \$80 bottle of wine, \$26 for two dark chocolate truffle martinis, \$68 for a main filet and jumbo crab, \$55 for a main filet, and \$38 for two child filets. The dean wrote on the claim that this was for a dinner meeting with three other individuals "to discuss program options for study abroad and short-term programs overseas for CSU students and short-term programs in USA/LA for international students." This was a fabrication. When we confronted the dean about this, he said could not remember who was at the meal. He said if he claimed it as business, it was a mistake and confirmed this was a personal expense. The dean's spouse said she did not attend this dinner and could not remember whether their two children were there. We did not find these assertions to be credible, especially because we found an email from the dean to his spouse saying he made reservations at Fleming's and gave her options including "date night" and bringing the kids.

³ Throughout the report, we will refer to "claims" made by the dean for various expenses. By that we mean that the dean requested and received reimbursement for those claims.

RESULTS OF INVESTIGATION

For 10 of the 32 meals, the dean listed only one attendee other than himself, and that attendee told us they were not at the meal, so it is not clear who, if anyone, he met with. For at least two of these meals, the dean took only his spouse to dinner, yet claimed it as a business expense. In the first instance, the dean claimed a dinner expense at a restaurant near campus with a campus employee to discuss the wildfire program. That employee said he was not at the dinner. We saw an email from the dean to his spouse saying that the other employee cancelled the dinner meeting, so they should meet for dinner instead, and she responded “okay.” The dean said he claimed this meal as a hospitality expense by mistake. In the second instance, while in Sonoma for a conference, the dean claimed a business meal with the purpose of discussing international recruitment with a CSU Los Angeles employee. That employee stated that he was not at the dinner, but the dean’s spouse said she was at the dinner. When we asked the dean about this meal, he said that claiming reimbursement for it was also a mistake.

In addition to the 32 meals where attendees listed by the dean told us they were not present, we came across one more fraudulent meal claim. We found an email from the dean to his friends in Roanoke, Virginia, stating that he and his spouse wanted to take the two friends out to dinner at Frankie Rowland’s, which is described on its website as a premier steakhouse. The dean and his family stayed with the friends during the weekend of September 29, 2017. Based on the dean’s emails, the weekend consisted of tailgating, a Virginia Tech football game, and a day at a lake. Upon his return from the trip, the dean filed a hospitality reimbursement claim for a “dinner meeting” at Frankie Rowland’s for the date that corresponded to the dinner with the friends. The dean was reimbursed \$624 for the dinner. In his claim, he stated the purpose of the meal was “to discuss organizational and technology advancement, classroom technology and grant programs.”

Expenses That Were Personal in Nature

The following are examples of trips for which the dean claimed travel and hospitality reimbursements that were actually personal in nature. In an initial review of the claims, the purpose of the trips did not immediately become apparent. However, after a thorough review of the claims and attached documentation, along with our review of the dean’s and his spouse’s emails and interviews of relevant individuals, we determined that the following trips were personal in nature, or at least included a personal component, and the dean should not have claimed them as business expenses. For further details on some of the trips outlined below, see Attachment A, and for additional examples of expenses that were personal in nature, see Attachment B.

Washington, D.C., Virginia, and West Virginia – August 1-8, 2017

From August 1 to 8, 2017, the dean claimed he was in Washington, D.C., Virginia, and West Virginia. His travel approval form said the purpose of the trip was to meet with “EAB [an education consulting company], Cyber Command, and the Qatar embassy.” On his first day of travel, the dean claimed breakfast, lunch, dinner, and incidentals, even though he did not begin his trip until after 8 p.m. On August 3, a Thursday, he rented a minivan. Based on the gasoline and toll receipts he submitted, the dean then embarked on a six-day cross-country road trip. He claimed reimbursement for meals in the locations listed on his travel expense claim. However, based on the locations listed on his receipts, the dean drove the rental car from Virginia to California, with several stops along the way. According to an

RESULTS OF INVESTIGATION

email from the dean to some family members, his plan for the week was to stop at several cities to visit tourist attractions, such as the St. Louis Arch and the Grand Canyon, and watch a Major League Baseball game. The dean received reimbursement for meals and incidentals incurred during the first three days of the road trip. The dean said he went on this trip for a meeting, but he was not able to provide any specifics on the meeting, such as who it was with or where or when it occurred. The dean admitted to taking his son on this trip, that the trip was personal in nature, and that he should not have claimed reimbursement for the trip's expenses. The dean claimed a total of \$1,458 for this personal trip.

Pennsylvania – October 8-9, 2017

The dean claimed reimbursement for a trip to Philadelphia, Pennsylvania, in October 2017 that cost the campus \$1,479. The dean flew to Philadelphia on a Saturday night and arrived at 5:58 a.m. on Sunday, October 8. In his travel expense claim, the dean said the purpose of the trip was to visit the University of Pennsylvania and “review feasibility of Executive Education Program for CoBA.”⁴ In emails between the dean, his spouse, and two other family members, the plan for the day involved tailgating, going to a National Football League game at 1 p.m., and attending a Guns n’ Roses concert that started at 7:30 p.m. We did not see any claims for transportation reimbursements to and from the university, but we did discover that the dean charged the campus for his transportation to the concert. When we asked the dean about his transportation to the university, he said someone picked him up but did not provide any specifics. The dean also said he went on a self-guided tour of the university. Based on this information, it is unlikely that the dean conducted any business meetings during his short stay, bringing into question what benefit the campus derived from his trip. In an email to the family members who joined him, the dean said decent hotels would cost around \$125 for the night, yet the dean booked a hotel that cost \$359 for the night, which significantly exceeded the campus’s \$275-a-night hotel maximum. The dean submitted a lodging cost exception preapproval for this hotel and cited that rates were raised that night due to conferences in the area, but it was not approved until more than four months after the trip.

Washington, D.C., and Virginia – June 19-30, 2018

From June 19 to 30, 2018, the dean was in Purcellville, Virginia; Washington, D.C.; and New York. According to the dean’s travel expense claim, the purpose of the trip was “for meetings with EAB and the Oman and Kuwait Embassies.” Although the dean attended a two-day conference in Washington, D.C., on June 19 and 20, he then went to Cooperstown, New York, for his son’s baseball tournament. During the trip, he incurred personal costs for which he claimed reimbursement, including \$70 for a shared ride service to drop off his kids and \$162 for a meal at a baseball stadium. He also double-charged \$177 for parking and charged an excessive hotel rate of \$293 for a night in Manhattan, where he also charged \$90 for parking. Based on a shared ride receipt and an email, he was in Manhattan for a Major League Baseball game instead of a meeting as he claimed. The dean also rented a minivan from June 19 to 30 at a cost of \$293, but stopped charging other expenses on June 22. We saw no business justification for these expenses. More details regarding this trip are included in Attachment A.

⁴ CoBA is the campus’s College of Business Administration.

RESULTS OF INVESTIGATION

South Africa – August 7-21, 2018

The dean traveled to South Africa for two weeks from August 7 through 21, 2018; his spouse and two children accompanied him. The purpose of the trip was “Family week at Nelson Mandela University and partner visits.” International Family Week at Nelson Mandela University was August 13-20 in Port Elizabeth, and the dean provided no details regarding any “partner visits,” so there was no clear business purpose for the first several days of this trip. In addition, according to an itinerary the dean prepared for his spouse, he and his family took a road trip between Cape Town and Port Elizabeth starting on August 10 and did not arrive in Port Elizabeth until August 13. There was no mention of any work-related activities until August 14. The dean claimed reimbursements totaling \$12,157 for the trip.

The dean subsequently provided us with a narrative about his first several days in South Africa, saying he did some qualitative study and visited sites recommended by a colleague. He justified the various stops by saying that he and the colleague had been looking to expand the programming for students in a variety of topic areas, and the colleague wanted the dean’s input.

The dean claimed \$1,691 for lodging, transportation, and meal expenses that related to the first several days of his trip. He also claimed \$779 in hospitality expenses for meals that occurred prior to August 14, or near the end of the trip, when the dean’s itinerary indicated these were family-related times.

Arizona – March 9-11, 2018 and March 8-10, 2019

In March 2018 and March 2019, the dean traveled to Arizona and was reimbursed a total of \$1,095 and \$1,206, respectively. Both trips occurred mainly over the weekend, departing on Friday and returning on Sunday. The dean asserted that both trips were business-related but could not provide any details we could corroborate in regard to whom he met with, and two of the people he said he met with told us they did not know who the dean was. These trips coincided with his son’s baseball tournaments, as well as Major League Baseball spring training games, which the dean attended. More details regarding these trips are included in Attachment A.

Malaysia and Vietnam – March 18-April 5, 2019

In March and April 2019, the dean traveled to Malaysia for nine nights, then flew to Vietnam, where he stayed seven more nights. The cost of the trip was \$14,190, well above the estimated cost of \$6,840 that had been preapproved.

The dean claimed costs that were at least partly personal when he and his family stayed in a suite with connecting rooms at a hotel in Vietnam. Although we were unable to determine the price difference between a more standard room and the suite with connecting rooms, the hotel cost exceeded the federal lodging allowance by \$145 per night for seven nights.

The dean also requested reimbursement of \$3,678 for a group tour and dinner he said was hosted by four CSU campuses, including San Marcos, in lieu of a standard meet-and-greet for partner schools and guests. He said 29 people attended the event and that he paid for the tour with cash, some of which he

RESULTS OF INVESTIGATION

borrowed from other attendees due to ATM withdrawal limitations. He told us he did not know how he determined the itemization of costs he hand-wrote on the receipt. In addition, when we examined the tour company's website, based on the size of the group, we estimated that the cost of the tour in question would be approximately \$1,000 significantly less than the \$3,678 claimed by the dean. The invoice in question can be seen in Attachment C.

More details regarding this trip are included in Attachment A.

Excessive Spending

Hotels

Campus and CSU policy state that reimbursement for domestic hotels cannot exceed \$275 before taxes and fees. Travelers who would like to exceed that amount must complete a lodging exception preapproval form before the trip and include it with the travel claim. Maximum reimbursement for international hotels varies by location.

In addition to the excessive hotel rates the dean claimed during the trips described earlier in the report, we noted the following:

In September 2017, the dean stated that he traveled to Seville, Spain, to attend a European Association for International Education conference. The conference dates were September 12-15, yet the dean was in Seville starting September 9, and he left early on the morning of September 14, which meant he missed two days of the conference. During his five-night visit, the dean stayed at a luxury hotel at a cost of \$635 a night. The per diem for hotels in Seville was \$163 a night, meaning the dean exceeded the per diem allowance by \$2,359 for the stay. The dean completed a lodging cost-exception preapproval for this stay, in which he cited that the conference organizers recommended this hotel for its safe and central location. This hotel, however, was located six miles from the conference site, and the dean took several taxis, totaling \$243, for the two days he attended conference events and meals, putting into question the hotel's central location. The dean said he had transportation costs each day because the conference site was in a bad location. However, in an internet search, we were able to find many four- and five-star hotels in the same area as his hotel for less than \$163 a night.

We found several additional instances of the dean selecting hotels that far exceeded the allowable rates and summarized them in the table below. The dean only submitted the lodging cost exception preapproval form prior to two of these 22 trips and did not submit the form at all for 15 of these trips.

RESULTS OF INVESTIGATION

Table 1 – Excessive Hotel Rate Claims

Location	Dates	Hotel Name	Length of Stay	Amount Claimed	Allowable Rate	Excess Claimed	Lodging Cost Exception Preapproved Prior to Travel?
Sonoma, California ^A	April 24-27, 2019	Andrea's Hidden Cottage	4 nights	\$299	\$275	\$96	Yes
Hoi An, Vietnam ^B	March 29-April 4, 2019	Little Riverside Luxury Hotel & Spa	7 nights	\$296	\$151	\$1,015	No
Kuala Lumpur, Malaysia	March 20-28, 2019	The Ritz-Carlton	9 nights	\$247	\$186	\$549	No
Amman, Jordan	Sept. 18, 2018	InterContinental	1 night	\$305	\$249	\$56	No
Beirut, Lebanon	Sept. 15-17, 2018	Le Commodore Hotel	3 nights	\$177	\$135	\$126	No
Manama, Bahrain	Sept. 12-14, 2018	The Ritz-Carlton	3 nights	\$345	\$255	\$270	No
Muscat, Oman	Sept. 10-11, 2018	Grand Hyatt	2 nights	\$387	\$261	\$252	No
Jeffreys Bay, South Africa	Aug. 11, 2018	Diaz 15 House on the Bay	1 night	\$372	\$131	\$241	No
Plettenberg Bay, South Africa	Aug. 10, 2018	Buffelsdam Country House	1 night	\$351	\$131	\$220	No
New York, New York ^B	June 21, 2018	Embassy Suites	1 night	\$293	\$275	\$18	Yes
Colombo, Sri Lanka	June 14-15, 2018	Hilton	2 nights	\$330	\$220	\$220	No
Kathmandu, Nepal	June 12-13, 2018	Baber Mahal Vilas	2 nights	\$225	\$166	\$118	No
Kathmandu, Nepal	June 10-11, 2018	Hyatt Regency	2 nights	\$272	\$166	\$212	No
Philadelphia, Pennsylvania	May 28-30, 2018	Hilton	3 nights	\$351	\$275	\$228	No ^C
Singapore, Singapore	March 24-26, 2018	Conrad Centennial	3 nights	\$408	\$290	\$354	No
Kuala Lumpur, Malaysia	March 19-23, 2018	The Ritz-Carlton	5 nights	\$242	\$186	\$280	No
Miami Beach, Florida	Dec. 6-7, 2017	Marriott Vacation Club	2 nights	\$367	\$275	\$184	No ^C
Miami Beach, Florida	Dec. 5, 2017	Hilton Bentley	1 night ^D	\$409	\$275	\$134	No ^C
Philadelphia, Pennsylvania ^B	Oct. 8, 2017	Courtyard Marriott	1 night	\$359	\$275	\$84	No ^C
Cusco, Peru	Aug. 23-24, 2017	JW Marriott	2 nights	\$326	\$213	\$226	No
Puntarenas, Costa Rica	Aug. 18-19, 2017	La Mariposa Hotel	2 nights	\$304	\$147	\$314	No
Seattle, Washington	Aug. 14, 2017	Courtyard Marriott	1 night	\$391	\$275	\$116	No ^C
Total						\$5,313	

RESULTS OF INVESTIGATION

Footnotes:

A – This trip is described in Attachment B.

B – This trip is described earlier in the report.

C – The dean submitted a lodging cost exception after returning from the trip.

D – This included a \$125 early-arrival fee.

Business-Class Airfare

The dean inappropriately claimed reimbursement for business-class airfare. Campus policy states that business-class airfare may be authorized only if the travel satisfies certain circumstances, such as instances when coach class would be more expensive or time-consuming (e.g., when, because of scheduling difficulties, traveling coach would require an unnecessary hotel expense) or when an itinerary involves overnight travel without an opportunity for normal rest before commencement of working hours. The circumstances must be documented and provided with the travel expense claim. We found several instances when the dean either failed to submit such information prior to his travel or provided a false justification. Below we describe several examples of the dean's excessive spending on airfare.

In September 2018, the dean traveled to England, Oman, Lebanon, and Jordan. He claimed reimbursements for five flights related to this trip, three of which were business-class. The dean did not submit any documentation justifying his airfare choices. His business-class flight home from this trip cost \$3,559 and involved no overnight travel. The two other business-class flights totaled \$2,668 and did involve overnight travel, but given the lack of documentation, it is unclear whether the dean met the requirement of also needing to commence work hours without an opportunity for normal rest.

In August 2018, the dean traveled to South Africa. For this trip, he also chose to fly business-class round-trip at a cost of \$6,636. He included a memorandum justifying this choice by stating that the flight required an overnight trip and the lack of sufficient rest would affect his normal working hours. He said he would schedule meetings with partner universities "within hours after arrival" on August 9. However, as discussed earlier, the dean spent those first few days on a road trip with his family. He also cited an overnight trip on the return journey home; however, based on his itinerary, no part of that flight was overnight. He further stated that flying business one way and then returning on economy would be more expensive than flying business round-trip, yet did not provide any cost comparisons. As a result, it was unclear how much, if any, the campus saved because the dean returned on a business-class ticket.

In June 2018, the dean flew to Sri Lanka and Nepal and again chose to fly business class. The first leg of his journey cost \$2,208, and his flight home cost \$2,908. Both flights had overnight components, but the dean again failed to submit documentation justifying the business-class airfare. Further, his return flight home arrived on a Sunday morning, therefore providing no justification for his claiming this expensive airfare.

In March 2018, the dean flew to Kuala Lumpur and Indonesia. The round-trip business-class flight cost \$4,667. In his justification memorandum, the dean said that the flight to Kuala Lumpur was an overnight trip, and lack of sufficient rest would affect his "normal working." He also said he had a meeting

RESULTS OF INVESTIGATION

scheduled hours after his arrival, which was corroborated by his email. However, his justification also said that the flight home was an overnight trip that would not allow him to get sufficient rest, but the flight arrived on a Thursday afternoon and the campus was closed the following day for a holiday. Consequently, there was insufficient justification for the dean to fly home on business-class airfare.

Domestic Meals and Incidentals

The dean frequently claimed the maximum domestic meals and incidental cap. According to CSU travel policy, travel expense claim approvers may request receipts or additional documentation from the traveler. For example, travelers should be required to submit meal receipts if it appears they are treating the meal and incidental reimbursement cap as a per diem by routinely claiming the maximum amount of the cap. For domestic travel, campus policy allows travelers a maximum of \$55 a day for meals and \$7 a day for incidentals. These are maximum amounts meant to reimburse actual expenses incurred; they are not per diems. As explained earlier, a per diem is an allowance for daily expenses such as food; it is not a reimbursement for actual costs. We found that of the 82 days the dean claimed domestic meal and/or incidental reimbursements, he claimed the \$55 maximum 41 times (50 percent) and was never required to submit meal receipts. Further, he claimed the \$7 maximum for incidentals for 67 of the 82 days. The dean told us he thought it was common practice on campus to claim the full meal and incidental amounts. If true, that practice goes against campus policy.

International Meals and Incidentals

The dean claimed excessive reimbursement 11 times for international meals and incidentals. For international travel, travelers receive a fixed amount per diem for meals and incidentals in accordance with federal per diem rates published by the State Department. For example, the per diem rate for Port Elizabeth, South Africa, was \$74 when the dean traveled there in September 2018. Despite that rate, the dean claimed a per diem of \$106 for four of the days he was there. In total, the dean claimed \$285 more than he should have in international per diems.

Parking

For the dean's September 2018 trip to England and the Middle East, he flew out of Los Angeles International Airport (LAX) on September 5 and parked his car at the airport for three weeks, until September 27, at a cost of \$488. However, the dean was only gone for two weeks and returned home via the San Diego airport. The dean said driving to the airport was a mistake.

In August 2018, the dean drove to LAX and parked his car at the airport for the 14 days he was in South Africa, costing the campus \$431, including \$99 for mileage and \$332 for parking. In March 2018, the dean used a shared ride service from his home to LAX at a cost of \$133. Using that rate as an estimate, a \$266 round-trip with a shared-ride service would have been significantly less than the cost of mileage and parking at the airport for that length of time.

These decisions by the dean were not economical options for the campus.

Duplicate Claims for Reimbursement

Duplicate Travel and Hospitality Claims

The dean claimed reimbursements for 18 duplicate meals and incidentals using a combination of travel expense and hospitality expense claims. The dean would either claim a duplicate meal using travel expense claims, hospitality expense claims, or a combination of the two. Each time the two differing claims were for meals and/or incidentals on the same dates.

The dean's most common method for claiming duplicate reimbursements was to request reimbursement for the same meal on both a travel expense claim and a hospitality expense claim. He did this 11 times. He submitted these different types of claims separately, making it difficult for the campus to identify the duplication. For example, when the dean was in Vietnam in April 2019, he claimed the full meal per diem of \$98 on his travel expense claim. Then he separately claimed a hospitality dinner meeting for \$191 the same night. He did the same thing the following night, with a lower hospitality dinner expense of \$52. In another example, the dean was in Bahrain in September 2018 and claimed the full meal per diem of \$122 on his travel expense claim. He then claimed \$290 on a hospitality claim for a "dinner meeting." He did the same thing for one night in South Africa in August 2018. We were not always able to quantify the exact amount of overpayment to the dean. Ostensibly, the hospitality meals included multiple guests; however, as discussed earlier in the report, the dean frequently deceived the campus regarding the attendees and purpose of these meals. Because we did not have reliable information about the number of attendees, we were unable to accurately determine even an average value to ascribe to the dean.

On four occasions, the dean claimed duplicate travel expenses using travel expense claims. For example, the dean claimed dinner in Costa Rica in August 2017, but also included a dinner charge as part of his hotel stay. In another instance, he claimed the maximum reimbursement of \$55 for dinner and \$7 for incidentals for a travel day to Arizona. On another line of the same claim, he also claimed \$27 for dinner and \$7 for incidentals for the same date.

Additionally, the dean claimed reimbursement for the same three meals twice using separate hospitality claims. In one instance, the dean submitted the same receipt twice, but included a different description and purpose each time. On October 24, 2017, the first time he submitted his hospitality expense form for the October 20, 2017, meal, he said it was a lunch meeting with an individual to discuss a potential donor for an "MBA hospitality program project." He attached two receipts, one itemized listing of what was ordered and another showing that he paid the \$51 using a credit card. On January 19, 2018, the dean requested reimbursement for that same meal a second time and said it was a lunch meeting with a member of the Carlsbad Chamber "to review Quality of Life committee." With this claim, he only attached the itemized listing receipt and included a handwritten note saying he paid the \$51 in cash.

International Meals

The dean claimed hospitality meal reimbursements for 26 international meals on days he also received a per diem. According to CSU travel policy, when international meal expenses are paid directly by the

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campus, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the maximum per diem rate authorized for international travel must be reduced. Federal guidelines designate the amounts the per diem must be reduced based on the total per diem for that location and the meal claimed as hospitality. For example, when the dean was in Singapore, he claimed a per diem of \$135; however, because he also claimed dinner using a hospitality claim, the per diem should have been reduced by \$54 (the federally designated rate for dinner in all locations with a \$135 per diem). As a result, he claimed \$54 more than allowed. Using those guidelines, we estimated that the dean's per diems for the days he had already received a hospitality meal should have been reduced by a total of \$426.

Duplicate Hotel Reimbursements

The dean claimed reimbursements twice for the same six nights of international hotel accommodation on two separate travel expense claims. On his first travel expense claim, approved on June 5, 2018, before he left on the trip, the dean said he would be staying three nights at the Hyatt Regency in Kathmandu, Nepal, for \$267 a night and three nights at the Hilton in Colombo, Sri Lanka, for \$328 a night. The dean included confirmation emails from both hotels, but no proof of payment. Based on this claim, the dean was reimbursed \$1,787 for the hotel portion of his trip. On June 18, 2018, when the dean returned from his trip, he submitted another travel expense claim that again included hotel expenses. In the expense claim, the dean said he stayed two nights at the Hyatt in Kathmandu for \$272 a night, two nights at a different hotel in Kathmandu for \$225 a night, and two nights at the Hilton in Colombo for \$330 a night, for a total of \$1,653 for the six nights. When the dean submitted his second travel expense claim two weeks later, he did not indicate, as required by CSU policy, that he was previously reimbursed for the hotels.

The Dean Could Not Recall Pertinent Details

When we questioned the dean about his trips and the related reimbursement claims, he repeatedly responded to our questions by saying that he could not recall or did not remember pertinent pieces of information.

INVESTIGATIVE RESULTS – ANCILLARY FINDINGS

Deficient Approval Process

The final approval of the dean's travel and hospitality claims typically was the responsibility of his supervisor, the provost for Academic Affairs. During the two years in the scope of our review, the former provost for Academic Affairs reviewed and approved the dean's claims. However, any time the provost was away, his delegate, the vice provost for Academic Affairs, had to approve claims on his behalf. The former provost said he sometimes questioned the dean about his expense claims and had conversations with the dean about things that bothered him. The top two things that bothered the former provost were business-class airfare and cost of lodging. Despite this, he still approved claims for business-class airfare and excessive lodging costs. He said he had to review about 2,000 claims a year for the division of Academic Affairs, so he depended on others to help with the review. He also said he

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did not have any training on reviewing expense claims. He admitted that in hindsight there might have been a gap in the review and approval process.

The vice provost said that when he reviewed the dean's travel, he looked at the activity the dean was claiming reimbursement for and determined whether it was reasonable. He admitted that he did not look too carefully at the dean's claims. He trusted the reviews of people who looked over the documentation before it got to his desk. He also did not receive training on how to review travel and hospitality claims.

RECOMMENDATIONS AND CAMPUS RESPONSE

Our investigation was administrative in nature. The conclusions we drew were made within that context. Recommendations that would mitigate the recurrence of similar findings are presented below.

See Attachment D for additional context and actions taken as reported by the campus.

1. Develop a policy that prohibits the reimbursement of employees for travel expenses incurred prior to travel, such as prepaid hotel expenses. For airfare expenses, consider creating a direct-charge system where the campus, not the employee, pays for the airfare.

Campus Response

We concur. The campus will create policies, procedures, and guidelines that provide reimbursement to employees for expenditures paid in advance only when it is necessary and best serves the campus under the circumstances. The campus plans to implement travel software in the fall that includes a direct-charge capability.

Anticipated completion dates:

Policies and procedures: February 29, 2020

Software implementation: September 30, 2020

2. Remind all employees that:
 - a. For domestic travel, travelers are allowed reimbursement only for actual costs incurred, and no per diem amounts are allowed.
 - b. All expenditures for a single trip should be reported on one travel expense claim. Supplemental claims may be submitted if necessary, but must be clearly marked "supplemental" and must identify the original claim submitted in connection with the travel.

Campus Response

We concur. The campus will remind employees and incorporate into training materials that:

- a. For domestic travel, travelers are allowed reimbursement only for actual costs incurred, and no per diem amounts are allowed.
- b. All expenditures for a single trip should be reported on one travel expense claim. Supplemental claims may be submitted if necessary, but must be clearly marked "supplemental" and must identify the original claim submitted in connection with the travel.

Anticipated completion date: February 29, 2020

RECOMMENDATIONS AND CAMPUS RESPONSE

3. Clarify, in writing, each reviewer and approver's role in the travel expense and hospitality claim process.

Campus Response

We concur. The campus will train every management employee on the role of reviewers and approvers in the travel expense and hospitality claim process.

Completed January 31, 2020

4. Retrain all staff with any involvement in the expense claim process. At a minimum, the training should remind staff of the following:
 - a. Hotel claims should only be reimbursed with clear proof of payment. A hotel confirmation cannot serve as a receipt for payment.
 - b. Dates and locations of all receipts should be reviewed and reconciled with where employees claimed they were.
 - c. Hotel lodging cost preapproval forms must be approved prior to travel.
 - d. Business- and first-class airfare cannot be approved without documented justification.

Campus Response

We concur. The campus will retrain all staff involved in the expense claim process, including the following content:

- a. Hotel claims should only be reimbursed with clear proof of payment. A hotel confirmation cannot serve as a receipt for payment.
- b. Dates and locations of all receipts should be reviewed and reconciled with where employees claimed they were.
- c. Hotel lodging cost preapproval forms must be approved prior to travel.
- d. Business- and first-class airfare cannot be approved without documented justification.

Anticipated completion date: March 31, 2020

5. Take disciplinary or corrective action it deems appropriate against the dean and the individuals who approved his reimbursement claims.

Campus Response

We concur. The campus will take disciplinary and corrective actions as appropriate and in accordance with personnel policies and collective bargaining agreements.

Anticipated completion date: March 31, 2020

RECOMMENDATIONS AND CAMPUS RESPONSE

6. Evaluate the appropriateness of seeking repayment of all financial losses, either outright or in the form of a restitution agreement.

Campus Response

We concur. The campus will seek repayment of financial losses as appropriate.

Anticipated completion date: June 30, 2020

ATTACHMENTS

ATTACHMENT A

Additional Details Regarding Examples Mentioned in the Body of the Report

The following provide additional details regarding trips that were already summarized in the report.

Washington, D.C., and Virginia – June 19-30, 2018

According to an email, the dean's two children traveled with him on a trip to Washington, D.C., and Virginia in June 2018. On June 19, after dropping his children off with family, the dean rented a minivan and returned to Washington, D.C., for a conference. One of the dean's emails indicated that the plan for that evening was to meet his family and attend a baseball game at Nationals Park. As noted in the report, the dean claimed a hospitality meal expense for \$162 that night. The receipt for the meal showed it was at the baseball stadium. In his claim, the dean said it was a dinner meeting to "discuss cyber security student recruitment."

Despite having a vehicle, the dean claimed several rideshare expenses totaling \$58 while in Washington, D.C. In addition, upon return from this trip, the dean claimed reimbursement of \$93 for a larger rideshare vehicle from the San Diego airport to his home. In total, the dean claimed \$3,296 for this trip.

Arizona – March 9-11, 2018, and March 8-10, 2019

According to his travel expense claims, in 2018 the dean traveled to ASU for "meetings regarding EL online programs and military liaison," and in 2019, he went to "visit ASU for tour and to discuss pathway international program." However, based on one of the dean's emails, the plan for the weekend in 2018 was to attend Major League Baseball spring training games and his son's baseball tournament. The dean claimed two nights of lodging, meals on three days, and mileage to, from, and around Arizona for the 2018 trip.

The dean's 2019 travel expense claim indicated that he had meetings at two campuses. When we asked the dean about this trip, he said he visited a couple of different ASU campuses, picked up materials from their international offices, and went on self-guided tours. Similar to 2018, the 2019 trip also centered on his son's baseball tournament and coincided with Major League Baseball spring training. The dean's family went with him on the trip, and his spouse charged a vacation day for Friday, March 8. In an earlier email to his spouse about the trip, the dean suggested to his spouse, "You would need to take Friday off or call in sick." In that same email, the dean suggested they would be attending spring training games on Friday. We also found a second email the dean sent to others who would be attending the tournament, in which he suggested attending two spring training games on Friday, one at 1:05 p.m. and the other on Friday night. Neither of these two emails mentioned anything about his plans to tour campuses or attend meetings, and it is unclear when he would have had time to do so. The dean told us he attended one or two spring training games, but he did not remember which ones specifically. The dean charged \$576 for two nights of hotel costs at the same hotel where his son's baseball team was staying, as well as \$183 for meals and incidentals.

Malaysia and Vietnam – March 18-April 5, 2019

The dean rented a vehicle on Friday, March 15, which he used to drive to LAX on Monday, March 18, and returned the vehicle there. The cost of the rental was \$119, and the vehicle was driven 202 miles, even though the distance from the dean's home to LAX was only 91 miles. In addition, the dean claimed reimbursement for more than 15 gallons of gas to refuel the vehicle, at a cost of \$55. The dean also claimed \$53 for mileage from LAX and \$223 for eight days of valet parking at LAX during the time his family was with him in Vietnam because his spouse drove their car to the airport when she traveled with their children. He said that by having the family vehicle at LAX they could fit in all the luggage and business materials. As a result, the cost for his round-trip transportation between his home and LAX was \$450.

The dean's spouse and two children met him in Vietnam, where they stayed in a suite with connecting rooms. The cost for seven nights was \$2,072, or \$296 per night, which exceeded the lodging per diem allowance of \$151 for Vietnam by \$145 per night; there was no pre-approval for the exception. We were unable to determine the price difference between a more standard room and the suite with connecting rooms. The dean booked and paid for the hotel in September 2018 and submitted a claim for that expense in December 2018, three months prior to travel.

ATTACHMENT B

Additional Examples of Expenses That Were Personal in Nature

The following scenarios are in addition to the examples of expenses that were personal in nature already summarized in the report.

East Bay Area and Sonoma, California – April 24-28, 2019

The dean traveled to the East Bay and Sonoma campuses from April 24 to 28, 2019, to attend meetings at CSU East Bay and a deans' conference at Sonoma State University. The cost of the trip was approximately \$2,621 (as detailed on two travel expense claims and two hospitality vouchers). He used a rideshare service to get to the airport on Wednesday, April 24, and flew to Oakland; the cost of the rideshare was \$43 and the cost of the flight was \$79. The dean told us someone walked him through the CSU East Bay downtown campus, after which he drove to Sonoma. However, when we obtained information about the deans' conference, we learned that it was only one day: April 26, plus an evening reception on April 25, which the dean did not attend. There was no clear benefit to the campus for the dean to be gone for five days, including over a weekend.

We also noted concerns about the cost of this trip. For example, according to the paperwork he submitted two-and-a-half months before his trip, the dean received a lodging cost exception for lodging expenses totaling \$1,363 for four nights (\$299 per night plus tax); he noted on the paperwork that the popularity of the tourist area was driving up the price. We checked comparable 2020 dates for the area and found rooms closer to the campus at reputable hotel chains for \$166 and \$239 per night.

The dean rented a minivan at a cost of \$307 and told us it was the same price for him as a full-size car. Although that explanation is possible, it was not documented, and CSU travel policy states that an economy- or intermediate-class vehicle should be requested whenever possible. We estimated that the dean could have saved approximately \$90 by renting an intermediate-class car. Further, the dean charged \$75 for more than 18 gallons of gas to refuel the rental car, even though the car rental receipt indicated he drove only 146 miles. The dean also charged \$60 for airport parking at the San Diego airport even though he used a rideshare service to get there. He told us that his spouse parked her car there and met him on this trip; they drove home together upon their return. His travel expense claim noted the cost was equal or less than a rideshare service, which is not credible based on his \$43 ride to the airport. Finally, the dean flew back from the Santa Rosa airport to San Diego in first class at a cost of \$228. According to the dean, there was a deal where first class cost the same as economy, but he did not document that information anywhere in the paperwork he submitted.

Holiday Parties – December 2017 and 2018

In both December 2017 and December 2018, the dean and his spouse hosted a holiday gathering at their home. The dean was reimbursed \$2,053 for the 2017 event and \$2,193 for the 2018 event. According to the documentation submitted with the reimbursement requests, the description for the 2017 reimbursement was "Food, drinks and decorations for Extended learning Sun Downer networking

event 12/15.17. Hospitality in place.” For 2018, the description read “12/21/2018 Expenses for Extended learning Professional Development and Sundowner events. Approved hospitality in place.” According to the guest lists, approximately 120 to 125 people said they planned to attend, including a mix of campus employees and community members. The dean told us this was a “good event” as it helped build relationships and connections and he thought he was following practice when charging the event to the Foundation account. Although the events may have helped build relationships and connections, we question the value to the campus, specifically because there was no mention of the campus or EL in the invitations, the events were held at the dean’s home, and the invitations indicated that these were personal gatherings.

Washington, D.C., and Virginia – September 29-October 2, 2017

From Friday, September 29 to Monday October 2, 2017, the dean claimed he was in Washington, D.C., and Roanoke, Virginia, for meetings with the Oman Embassy and Virginia Tech University. Based on emails between the dean and his friends, this was a personal trip that the dean’s spouse and two children also attended. Travel documents indicated the dean arrived in Washington, D.C., on Friday September 29, rented a minivan from the airport at 10:11 a.m., and checked into his hotel in Roanoke at 1:49 p.m. The dean told us he most likely went to the Oman Embassy right after landing in Washington, D.C. However, the estimated drive time between the airport and hotel is three-and-a-half hours with no traffic; therefore, it is unlikely the dean attended any meetings in Washington, D.C. Furthermore, the hotel he selected in Roanoke was 38 miles away from Virginia Tech University. When asked whom he met with, the dean mentioned three possible names, but said that he was not sure.

In an email to his friends, the dean said he wanted to take them out to dinner that Friday night at a premier steakhouse in town. When reviewing the dean’s hospitality expense claims, we found that the dean expensed this \$624 meal, discussed in greater detail in the section of the report on fraudulent hospitality claims.

The dean’s plan for the weekend was to tailgate and attend a football game on Saturday, go to a lake on Sunday to see family, and leave first thing Monday morning. The dean used a larger rideshare vehicle for his transportation to and from his home and San Diego airport, increasing the cost to the campus. When we asked the dean about this, he said he upgraded the vehicle size because he had large luggage. However, he also said he probably dropped his children off with his parents who live near Washington, D.C., implying that his children did travel with him. The dean claimed meal reimbursements for each day of his trip, including \$55 for dinner on Monday October 2, despite arriving home at 10:40 a.m. The total cost of this trip was \$2,611.

ATTACHMENT C

RM 15,000 Malaysian ^{3/28/19}
CSU consortia tour + transportation
+ dinner for partner schools

28 people

\$ 3,677.80

AS DESTINATION TRANSPORT SERVICE
 (002156011W)
 30-9-6, Bukit Pandan 1, Jalan Perdana 6/91b,
 Pandan Perdana, 55300 Kuala Lumpur.
 +6011 23521719 / +6017 2331737 / +6010 2381527
 klbudgettour@gmail.com www.klbudgettour.com

Invoice

To: MR MIKE

5000 ~~CSU Dinner~~ No : 0916
 500 ~~CSU Transportation~~ Terms :
 5000 ~~CSU TOUR~~ Date : 28 MARCH 2019

Tour Code	: AS10
Day Tour	: FIREFLIES TOUR AND COUNTRYSIDE TOUE 5000 RM
Date of Visit	: 28 MARCH 2019
Pick up Time	: 1530
Pick up from	: CONVENTION CENTER KUALA LUMPUR TO KUALA SELANGOR 5000 RM
Adult	: 28 ADULT DINNER include 5000 RM
Child	:
Total Amount	: 28 ADULT RM 15,000.00

143.78 per person
for meal

Received By

AS DESTINATION TRANSPORT SERVICE
Approved By

ATTACHMENT D

Additional Context and Actions Taken as Reported by the Campus

Dr. Ellen Neufeldt's tenure as president of California State University San Marcos began on July 1, 2019. In her first week at CSUSM, the university received a complaint related to travel and other expenditures incurred by the dean of Extended Learning. President Neufeldt requested an investigation by the CSU Audit and Advisory Services into the matter, and the following actions were also taken:

- Directed appropriate staff to respond to media inquiries as fully and transparently as possible, considering the limitations of an active investigation and related personnel matters.
- Communicated with the campus community and its constituents regarding the actions being taken related to the allegations and the investigation.
- Directed Finance and Administrative Services to conduct a broader review of travel and other expenditures across the campus.
- Directed senior managers to immediately begin reviewing the necessity of near-term employee travel and limiting where possible.
- Communicated with senior managers regarding their responsibility related to fiscal stewardship and prudent use of university resources.
- Mandated that all managers complete travel approver training by January 31, 2020.
- Mandated that all employees who have responsibilities related to preparing travel complete updated training by the end of March 2020.

Further, President Neufeldt directed the appropriate staff to make recommendations regarding the prevention of future abuse and the improvement of fiscal stewardship. The recommendations that were endorsed and directed to be implemented include:

- Creating an Office of Internal Audit.
- Restructuring the travel department under the assistant vice president of compliance and operations with a dotted line to the president, adding staff and technological resources.
- Reviewing, streamlining, and automating travel processes to improve compliance and oversight of travel operations.
- Updating travel guides and forms to make authorization and reimbursement processes and protocols clearer to end users.
- Implementing improved employee education and training for all managers, as well as employees who have responsibilities related to preparing travel.

During the process of CSUSM's internal review, we discovered that the majority of employees who travel on university business incur and report travel expenses in a responsible and ethical manner. However, in some individual instances, university travelers failed to adhere to policy and/or values of integrity and accountability.

CSUSM leadership acknowledges the seriousness of this matter — the issues and trends that have been brought forward do not align with the standards of the CSU nor the standards to which CSUSM aspires. University leadership thanks the CSU Audit and Advisory Services for their thorough review and thoughtful recommendations.