



GEORGIA STATE FINANCING AND INVESTMENT COMMISSION
CONSTRUCTION DIVISION

Second Floor
270 Washington Street
Atlanta, Georgia 30334

Steven L. Stancil, *Director*

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OFFICE OF THE STATE
INSPECTOR GENERAL
404-463-5600

June 16, 2008

Ms. Elizabeth P. Archer
State Inspector General
Office of the Inspector General
1102 West Tower
2 Martin Luther King, Jr. Drive NW
Atlanta, Georgia 30334

RE: File No. 08-012

Dear Ms. Archer:

The Georgia State Financing and Investment Commission (GSFIC) has reviewed the investigative report and recommendations regarding the fraudulent travel expense statements submitted by a Contract Compliance Specialist employed in the Construction Division. We concur with your recommendations and our specific response to each recommendation is noted below in italics:

OIG Recommendation and GSFIC Reponses

1. Ensure the agency clearly articulates any understanding in regards to an employee's "special assignment," particularly when any type of agreement is made between the employee and the agency detailing lodging and reimbursement arrangements. Agreements such as these should be memorialized in the form of a Memorandum of Understanding or similar official document. The agency should ensure widest dissemination among supervisors, project managers, division directors, personnel, and the finance offices.

Concur. Any special assignment accommodations regarding travel, lodging, work hours, etc., to the extent they differ from the Statewide Travel Regulations, will be documented in writing, conveyed to the employee and acknowledged by his/her signature, coordinated with supervisors and placed in the employee's personnel file and the project files.

2. Consider establishing an agency specific policy for travel and reimbursement expenses while adhering to Statewide Travel Regulations. A number of other agencies have elected to do so in order to deal with their own unique travel circumstances.

Concur. While we do not envision a need for any significant deviation from the provisions of the Statewide Travel Regulations, we are reviewing the 'place of work' policy for our Contract Compliance Specialists. The results of that review may need to be included in a policy letter. We expect this evaluation will be complete and any policy statement issued by August 1, 2008. In addition, we will provide written guidance to each employee regarding compliance with the Statewide Travel Regulations, rental car usage, and processing reimbursement requests.

3. Identify and pursue training needs for all employees in the area of State Travel Regulations. Persons approving expense statements for payment must become familiar with the provisions presented in procedures and apply them in the review and audit of each expense statement.

Concur. GSFIC will conduct training on the Statewide Travel Regulations during the week of July 7th. The training will be tailored to both employees and supervisors. Every GSFIC employee will be required to attend.

4. Consider conducting periodic reviews of processed expense statements and immediately address any identifiable weaknesses.

Concur. The GSFIC Chief Financial Officer will oversee a random review of 10% of travel reimbursement requests submitted each month.

The above responses highlight the internal policies, procedures and controls that have been or shall be implemented at the GSFIC. Should you require any additional information, please do not hesitate to contact me. I sincerely appreciate the time taken by you and your staff during this investigation. It has provided the GSFIC with an opportunity to significantly improve its operational processes.

Regards,



Steven L. Stencil
Director, Construction Division