

Ballard: P-card fraud case mishandled

By Jennifer Tramm | Published 07/17/07 9:00pm

Just before quitting time Dec. 15, 2005, University of Arizona Police Department officers stopped by the journalism department to ask an administrative staff member some general questions about UA purchasing policy.

The officers told her they were looking into purchasing card use, said Cris Ballard, former journalism business manager, but neglected to tell her that it was she they were investigating.

After asking several questions about what she thought was policy regarding university property, all of which she answered appropriately, Ballard said the police told her to come outside her office because they were executing a search warrant.

""My head was spinning,"" she said. ""I couldn't even form sentences.""

The police then frisked her in the hallway, in full view of faculty members walking by.

After officers moved her into one of the department's conference rooms, Ballard was read her Miranda rights, though she was not being arrested, and asked to answer questions as part of their investigation.

Still confused, Ballard said she told the police that she did not think she should answer questions that could possibly incriminate her, as she could not think straight.

UAPD officers allowed her to collect a few personal belongings, and then escorted her to her car. She was not allowed to return, and that was the last she saw of the police.

The same was not true for her husband.

While her office was being searched, police were also at her home, executing another search warrant.

Ballard's husband, Jeffery Jones, was home at the time and said the police came bursting in with 9-mm guns drawn, frightening the couple's dog as it barked frantically at the apparent intruders.

The officers tried to make Jones leave the house in his underwear as they began the search for university property.

Ballard later plead guilty to a felony, as part of a deal that put her on probation, rather than in jail.

From the initial reporting of the issue to police for investigation, to the search warrants being executed, it only took three hours to change Ballard's life profoundly.

""I'm not saying I'm right,"" she said. ""I've had a long time to think about this.

""I'm saying the way it was handled was way out of line.""

Ballard said the journalism department had a very poor filing system when she came to it in 2003.

She said she organized 20 years of files and then showed everyone in the office the new system.

All of the documentation from all of her p-card purchases could be found in the filing cabinets, which she said she never locked.

A purchasing card is a credit card in the user's name intended for business-related expenses paid directly from university funds, according to the UA Procurement and Contracting Services Web site.

According to university p-card policy, anyone keeping p-card records, and those responsible for approving purchases, must have the appropriate training. Additionally, the person who approves purchases should never be the cardholder.

While Ballard said she knew the general purchasing recordkeeping policies, she was never trained for specific p-card recordkeeping.

She was given only the cardholder training, for which she arrived late and missed some of the information.

Additionally, while the department was in a state of flux as an administrative associate left due to illness, the department's approvals and reporting became spotty, Ballard said. She added that two other employees, along with herself, were responsible together for p-card records.

Another employee, April Thompson, a journalism administrative associate, was assigned to do some of the approving, she said.

According to an investigatory audit of the journalism department performed in 2006, Thompson was subordinate to Ballard.

Ballard said that was a mistake and that Thompson was never under her supervision.

The audit reviewed all of the department's p-card practices and decided its purchasing oversight was ""inadequate.""

Ballard was the only employee pursued criminally and the only one fired for the misconduct.

According to a police report, Kathy D'Assis, former journalism department office manager, told the police during their investigation that she had purchased an unauthorized airline ticket using a department p-card but had paid the university back.

Additionally, the police report showed that D'Assis, who reported to journalism department head Jacqueline Sharkey, had admitted to approving many of Ballard's purchases.

D'Assis was not punished for those actions, according to Ballard, who said she has seen many people at the university buy personal items with the p-card and never get in trouble.

D'Assis also told the police that, while some of Ballard's purchases for the office were somewhat expensive, Sharkey had told them both numerous times that they could have whatever they needed to do their jobs.

After a while, D'Assis told police, she and Ballard stopped asking her to approve all of the purchases because she always said ""yes.""

The audit recommended that everyone in the department responsible for p-card activities should be retrained.

Indeed, training has changed since the inception of the p-card program in 1999.

Each p-card user must go through a training session before being given the card to use for university purchases, according to UA p-card policy.

The training session in 2003 was done in a classroom at particular times of the week and lasted only a half-hour, Ballard said.

Running late by 10 to 15 minutes, Ballard said she was allowed to sit and listen to the rest of the class, but was not updated by the trainer at the end. Nor was she made to return at another time to ensure she received the complete training regimen.

No test was given to make certain that attendees understood all of what they were told during the session, she said. They were only required to sign an agreement, which included language that stated the undersigned would follow appropriate policies.

The agreement also had on it a section stating that Sharkey held ultimate responsibility for the card, Ballard said.

Ballard said she thinks the information about not being able to purchase gasoline with the p-card, a bone of contention in the fraud investigation, may have been included during the time she missed in the short class.

D'Assis stated in the police report that she had heard Sharkey as well as Ballard say that ""it was OK to purchase gas on the p-card and that (D'Assis) had done it herself a number of times"" for running department errands.

When the p-card office later informed D'Assis that it was not OK, she quit doing as many errands.

The class for p-card holders is now longer, though it is not necessarily in reaction to incidents of fraud in the past, said Misty McCormick, a program coordinator for Procurement and Contracting Services and p-card trainer. The class has been extended to 90 minutes due to an increase in the number of things that can be purchased with the cards.

Classes may also be taken online, she said.

The training session now includes a test, implemented in June 2005, which tests on each section of the class materials, McCormick said. Applicants for p-cards must pass a 20-question test with a score of 100 percent.

Despite the high mark required on the test, p-cards have been misused.

From July 2002-2006, there were five attempts to defraud the UA, according to a September 2006 executive summary made for a presentation given to the Arizona Board of Regents by p-card officers from all three state universities.

Incidents of misuse are far more numerous, however.

According to Johnny Cruz, UA director of media relations, there have been 165 violations of p-card policy since the university purchasing department took over notification of such in 2005.

Cruz stressed that the number of violations is actually quite small, when compared with the number of transactions that occur with p-cards.

A lot of the problems the university has encountered with p-card misuse have to do with departments following the rules, said Dick Roberts, UA budget office director.

"If people are doing their jobs, then the p-card works," Roberts said.

The journalism department head agreed.

"The important thing to remember," Sharkey wrote in an e-mail, "is that despite some problems with purchasing-card abuses, which the university has addressed vigorously, the P-Card system has saved state universities - and Arizona taxpayers - enormous amounts of money."

Using the estimated difference of \$30 per transaction cited in the executive summary, the cost difference between buying everything with purchase orders versus using the p-card amounted to \$5.4 million for the approximately 180,000 transactions processed at the UA during the 2006-2007 fiscal year.

If the estimated difference matched that of the private sector, the savings per transaction of about \$80 raises that number to \$14.4 million.

The issue of cost savings, however, was not important to Ballard after she was ejected from the university.

She said the effect of the investigation had a ripple effect on her life.

Her self-confidence took a shot.

She said she thought she was good at her job. In fact, she said, at the end of the fiscal year in which she was fired, the department, which has never had a lot of money, had a surplus of funds for the first time in at least six years.

Her husband left the UA after 18 years out of protest over how Ballard was treated.

Both believe that Sharkey should have at least asked Ballard about the purchases and given her a chance to respond and perhaps make up for it.

"The people who did this are completely absolved, and I'm sure they're not losing a bit of sleep on it," Ballard added.

At Ballard's pre-termination hearing at the university, she offered to repay the gasoline charge that was determined to be unauthorized. Sharkey did not respond.

The next thing Ballard knew, a FedEx delivery was made to her home. It contained her termination letter.

Ballard thinks that perhaps that was not the best use of the department's funds.

She had to find a new job, though it took her some time to get back in the swing of things. She is now an administrative assistant with a small private company in Tucson.

Ballard said her new employer is very supportive and knows all about the trouble she had.

"There aren't too many people out there who can be so understanding," she said. "That was an amazing thing."

Like  0 **Tweet**  0