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## NEWS RELEASE

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Auditor of State David A. Vaudt today released a report on a special investigation of the University of Northern Iowa (University), Camp Adventure Youth Services program for the period April 1, 2007 through March 31, 2008. The special investigation was requested by University officials as a result of concerns regarding the operations of Camp Adventure, including the University's procurement cards and a travel agency used by Camp Adventure.

Camp Adventure™ Youth Services (Camp Adventure) offers a variety of programs to children at a number of locations world-wide. The programs are directed primarily toward United States military installations, embassies and corporate clubs and organizations worldwide. It was founded at the University of Oregon in 1985 and moved to the University of Northern Iowa in 1991 when the founder, Dr. Christopher Edginton, became the Director of the University's School of Health, Physical Education and Leisure Services. Dr. Edginton's wife, Susan Edginton, is the Director of Camp Adventure.

Vaudt reported the special investigation identified \$33,285.19 of improper disbursements. The improper disbursements were 26 payments made by Camp Adventure to Action Air Services, Inc., a vendor from Annapolis, California. The payments were for airline tickets which had also been charged to Camp Adventure's procurement card. Camp Adventure received refunds of \$17,334.33 from Action Air for the improper payments, most of which were requested after the improper payments were identified during the special investigation.

Vaudt also reported the actions taken by Camp Adventure officials lead to the appearance of a relationship between Camp Adventure officials and John McDuffie, the proprietor of Action Air. As a result, Vaudt expressed concern transactions between the parties may not have been conducted at "arm's length."

Vaudt reported Camp Adventure officials stated tickets for college students participating in the Camp Adventure program have been purchased from Action Air since the program was moved to the University from the University of Oregon in 1991. In 2007, the University sent out requests for proposals (RFPs) to provide travel service for Camp Adventure. The RFP requested references from parties for whom services had been provided during the previous 3 years. The response submitted by Action Air listed only Dr. and Ms. Edginton as references. Dr. and Ms. Edginton reviewed and evaluated the response and subsequently awarded the contract to Action Air.

In addition, when concerns regarding purchases made from Action Air and the apparent lack of independence in the selection process were discussed with Ms. Edginton, she provided explanations which were not unique to Action Air. The services cited by Ms. Edginton are also provided by the University's preferred vendors for travel services.

Vaudt also reported payments to Action Air were not identified on Camp Adventure's procurement card or through the voucher system after Camp Adventure was required by the University to purchase airline tickets with procurement cards starting in April 2007. In addition, Vaudt reported Ms. Edginton stated she continued to employ Mr. McDuffie as a consultant during a period when University officials suspended the use of Action Air. Ms. Edginton also stated she did not pay Mr. McDuffie for his services during this period. However, Mr. McDuffie reported he received a \$395 payment in January 2009 for services. Ms. Edginton later reported the payment was made from her personal funds. Vaudt reported it is unclear why Mr. McDuffie would provide services without the expectation of payment or for limited payments.

Copies of the report have been filed with the Black Hawk County Attorney's Office, the Attorney General's Office and the Division of Criminal Investigation. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**REPORT ON SPECIAL INVESTIGATION OF THE  
UNIVERSITY OF NORTHERN IOWA  
CAMP ADVENTURE PROGRAM**

**FOR THE PERIOD  
APRIL 1, 2007 THROUGH MARCH 31, 2008**



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## Auditor of State's Report

To the Members of the Board of Regents:

As a result of alleged improprieties regarding purchases made with University procurement cards and at the request of the Administration of the University of Northern Iowa (University), we conducted a special investigation of Camp Adventure in conjunction with the Board of Regents' Internal Auditors. We have applied certain tests and procedures to selected financial transactions of the University for the period April 1, 2007, through March 31, 2008. Based on discussions with University personnel and review of relevant information, we performed the following procedures:

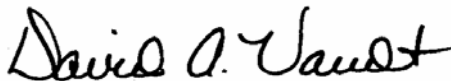
- (1) Obtained an understanding of concerns identified by personnel from the Office of Internal Audits regarding airline tickets purchased with procurement cards and reviewed information they compiled related to those concerns.
- (2) Interviewed Camp Adventure staff to gain an understanding of the program's operations.
- (3) Evaluated internal controls surrounding the use of procurement cards by Camp Adventure staff and the subsequent review and payment of related billings to determine whether adequate policies and procedures were in place and operating effectively.
- (4) Reviewed purchases made with Camp Adventure's procurement cards and certain other travel-related purchases made by Camp Adventure staff. We also interviewed Camp Adventure staff to obtain an understanding of the purchases.
- (5) Reviewed invoices or other supporting documentation for purchases made with the University's procurement cards held by Camp Adventure staff members to determine if they were for appropriate purposes, were properly supported and were properly approved. For a number of disbursements, information was obtained from the vendor to determine if the purchase was appropriate.
- (6) Reviewed responses submitted by travel agencies to a request for proposal issued by Camp Adventure for travel services.

The procedures identified \$33,285.19 of improper disbursements. The procedures also identified actions taken by Camp Adventure officials which lead to the appearance of a relationship between Camp Adventure officials and John McDuffie, the proprietor of Action Air. As a result, concerns were identified transactions between the parties may not have been conducted at "arm's length." Several internal control weaknesses were also identified. The detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **C** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Camp Adventure program located at the University of Northern Iowa, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Black Hawk County Attorney's Office and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Board of Regents' Office of Internal Audits and the University of Northern Iowa during the course of our investigation.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

May 1, 2009



University of Northern Iowa  
Camp Adventure Program  
Investigative Summary

**Background Information**

Camp Adventure™ Youth Services (Camp Adventure) was founded at the University of Oregon in 1985 and moved to the University of Northern Iowa (University) in 1991 when the founder, Dr. Christopher Edginton, became the Director of the University's School of Health, Physical Education and Leisure Services. Dr. Edginton's wife, Susan Edginton, is the Director of Camp Adventure.

According to their website and literature prepared by Camp Adventure, the organization is a not-for-profit, educational organization which offers a variety of programs to children at a number of locations world-wide. However, according to University officials, Camp Adventure is not a not-for-profit organization. In addition, the organization is not registered with the Secretary of State's Office as a not-for-profit organization and we were unable to locate Camp Adventure on a website that provides tax information for not-for-profit organizations.

Camp Adventure programs are directed primarily toward United States military installations, embassies and corporate clubs and organizations worldwide. According to Camp Adventure's website, the program is offered at 150 sites in Asia, Europe and South America and serves 750,000 children and youth annually, based on daily participation rates.

College students participate in the program by providing leadership to the youth. They pay tuition and earn academic credit for participating in the program. Camp Adventure provides financial support for the college students' transportation, lodging and living expenses. Camp Adventure staff arrange transportation to the camp locations and purchase airline tickets for the students using University procurement cards assigned to staff members. In addition, the students are provided a per diem amount for food and lodging expenses.

University officials have identified Short's Travel Management (Short's) and Travel and Transport as the University's preferred vendors. According to the University's procurement card policy,

"Cardholders are asked to make purchases from vendors with which the University of Northern Iowa holds a contract (preferred vendors). There are two cases in which the cardholder may use a non-contracted vendor; the item is unavailable from contracted vendors, or if substantial savings can be found from another vendor other than preferred vendors. Cardholders may make the purchase from another vendor if they document the substantial savings. The savings should be documented and sent with the statement. If using non-contracted vendors, then make the purchase from the lowest priced vendor."

According to Camp Adventure staff we spoke with, tickets for students traveling to Asia were purchased through Short's. However, tickets for most students traveling to Europe were purchased through Action Air Services, Inc. (Action Air), a vendor from Annapolis, California. Separate procurement cards were used for travel to Asia and Europe.

Diane Engbretson, Camp Adventure's former Assistant Director, made a number of the travel arrangements for the college students participating in the program and purchased their airline tickets with the University procurement cards assigned to her. In 2008, University officials learned Ms. Engbretson made personal purchases with 1 of the procurement cards. Notifications were made to the Board of Regents' Office of Internal Audits and the Office of Auditor of State. As a result of the concerns identified, the Office of Internal Audits and the Office of Auditor of State worked jointly to conduct an investigation of the use of procurement cards by Camp Adventure staff. A report of the findings was issued on February 2, 2009.

While reviewing Ms. Engbretson's procurement card's monthly statements, personnel from the Office of Internal Audits identified a number of charges from travel agencies other than Short's and Action Air. Some of the purchases from the other travel agencies were supported by invoices from Action Air. In addition, some purchases were not properly supported by any receipts or invoices.

Because a significant number of the airline tickets procured through Action Air were not properly supported, University officials suspended the use of Action Air on March 31, 2008 pending the completion of the investigation performed by the Office of Auditor of State.

As a result of the concerns identified, the Office of Internal Audits and the Office of Auditor of State worked jointly to conduct an investigation of airline tickets purchased by Camp Adventure staff. During the course of the investigation, we performed the procedures detailed in the Auditor of State's Report for the period April 1, 2007 through March 30, 2008.

### **Detailed Findings**

The procedures identified \$33,285.19 of improper disbursements. The improper disbursements are listed in **Table 1** and a detailed explanation of each finding is below.

<b>Table 1</b>				
<b>Description</b>	<b>Exhibit</b>	<b>Improper Disbursements</b>	<b>Refunded</b>	<b>Net Amount</b>
Duplicate payments	<b>A</b>	\$ 10,187.74	5,716.21	4,471.53
Tickets with conflicting dates or locations	<b>B</b>	14,144.64	6,852.64	7,292.00
Tickets to destinations other than camp locations	<b>C</b>	8,952.81	4,765.48	4,187.33
Total		<u>\$ 33,285.19</u>	<u>17,334.33</u>	<u>15,950.86</u>

The procedures also identified actions taken by Camp Adventure officials which lead to the appearance of a relationship between Camp Adventure officials and John McDuffie, the proprietor of Action Air. As a result, concerns were identified transactions between the parties may not have been conducted at "arm's length."

### **Request for Proposal**

According to the Director of Camp Adventure, tickets for college students participating in the Camp Adventure program have been purchased from Action Air since the program was moved to the University from the University of Oregon in 1991. According to the University's records, Camp Adventure staff competitively bid and subsequently signed agreements with Short's and Action Air Services in May 2000. According to the Director, Camp Adventure was able to get better prices and service from Action Air than the University's preferred vendors.

During our investigation, we obtained a copy of the agreement with Short's dated May 1, 2000. We were unable to obtain the agreement with Action Air. According to University personnel, they were unable to locate the document. However, subsequent contract extensions with Action Air refer to an original contract signed in May 2000.

Because a competitive bid process had not been completed since 2000, the University sent out requests for proposals (RFPs) on February 12, 2007 to provide travel service for Camp Adventure to start on or before April 1, 2007. According to personnel we spoke with from the University's Office of Business Operations (OBO), the Director of Camp Adventure did not see a need for a new RFP because she was satisfied with Action Air's services and prices.

The RFP was sent to Action Air and Short's Travel Service. The specifications and scope of services in the RFP included the following requirements:

- Obtain proposals from licensed travel service providers.
- Separate bids were to be submitted for travel to Asia and Europe.
- Bidders were to provide ticket prices for each of the seven major Camp Adventure airport hubs (Cedar Rapids, Atlanta, Los Angeles, Spokane, Detroit, San Francisco and Portland) for all specified locations within Asia and Europe.
- Bidders were to complete a bid worksheet for travel to each travel destination for low, high and peak travel seasons.
- Tickets were to be issued in the name of the traveler and agencies must accept a University procurement card as the primary form of payment.

The only response to the RFP was from Action Air. Short's already had a contract in place with the University. During our investigation, we obtained the response to the RFP submitted by Action Air. According to the response, Action Air was founded in 1982 and incorporated in 1983 by John McDuffie and operated out of Annapolis, CA. The response listed 2 employees, John and Helga McDuffie. According to Camp Adventure staff, the 2 employees are married to each other. The RFP response listed Mr. McDuffie as the President of Action Air. We identified the following concerns with Action Air's response.

- 1) **ARC Number** - Action Air's response to the RFP included the business' Airline Reporting Corporation (ARC) Number. An ARC number is necessary for travel agencies to issue tickets and is unique to each travel agency.

We contacted a representative of ARC to verify the ARC number reported in the RFP response was correct. According to the representative, the number reported in the RFP response belonged to Convenient Travel located in New York. The representative also stated the number had been associated with the New York travel agency since 1983. We attempted to contact a representative of Convenient Travel, but were unsuccessful. According to the New York State Department of State, Convenient Travel originally filed as a corporation in 1998.

In December 2008, we contacted Mr. McDuffie regarding Action Air's ARC number. According to Mr. McDuffie, he worked under Convenient Travel's ARC for approximately 20 years until he became affiliated with Travel Planners International (TPI) in 2008 and began using its ARC number. However, by reviewing tickets purchased with the procurement card, we identified only 1 purchase through Convenient Travel in 2007. The transaction was subsequently reversed. According to credentials provided by Mr. McDuffie, he is affiliated with TPI. We identified a

significant number of tickets were purchased with the procurement card through TPI starting as early as April 2007.

We asked Mr. McDuffie to provide Action Air's ARC number. He provided a different number than the number included in the response to the RFP. We contacted ARC again to confirm the number and an ARC representative stated the number was not valid. An ARC representative also stated their records did not show Action Air has ever been registered with ARC.

We also reviewed ARC's website which allows anyone to verify an ARC number. We verified the validity of the ARC number provided by Short's. According to a representative from Short's, if they did not have a valid ARC number, they would not be able to issue airline tickets.

- 2) **References** – The response submitted by Action Air listed only Susan Edginton and Dr. Christopher Edginton as references.

The RFP requested references from parties for whom services had been provided during the previous 3 years. When we spoke with Mr. McDuffie and Ms. Edginton, both indicated Action Air did not provide services to anyone other than Camp Adventure and, on a limited basis, the University's School of Health, Physical Education and Leisure Services.

In addition, when we obtained documentation from vendors from whom Action Air purchased airline tickets for Camp Adventure, we were able to determine Action Air had not purchased tickets through the ticket consolidators for any parties other than Camp Adventure and the University's School of Health, Physical Education and Leisure Services.

In an e-mail message from Mr. McDuffie, he indicated "prior to Camp Adventure's business, 85% of [his] business was from clients in [New York City] and the others were from military bases through out the USA and overseas." We were unable to determine when or if Mr. McDuffie ceased providing services to these clients.

Because the responses to the RFP were reviewed and evaluated by Dr. and Ms. Edginton, there appears to be a lack of independence in the selection of Action Air as a primary vendor for airline tickets.

In addition to the concerns identified with Action Air's response to the RFP and its selection, we identified several other concerns regarding Camp Adventure's procurement of airline tickets through Action Air.

According to section 9D.2 of the *Code of Iowa*, a travel agency doing business in Iowa shall register with the Secretary of State as a travel agency if it or its travel agent conducts the solicitation of an Iowa resident. According to Section 9D.4 of the *Code*, failure to comply with the registration requirement is a serious misdemeanor. In addition, if a person required to be registered receives money, as a fee, commission, compensation or profit in connection with doing business in Iowa in violation of section 9D.2, the person shall be liable for a civil penalty of not less than three times the sum received.

Staff from the Board of Regents' Office of Internal Audits contacted the Secretary of State's Office in April 2008 and determined Action Air was not registered in the State of Iowa. We contacted the Secretary of State's Office and determined Action Air applied for

a registration on April 8, 2008. Prior to this period, Action Air had been doing business with the University without a valid registration.

An extension of the contract between the University and Action Air was granted for the year March 1, 2008 through February 28, 2009. The extension states the agreement will remain the same with the following additions:

- All reservations for Camp Adventure must utilize the procurement card as a payment method.
- All reservations or cancellations must include either an invoice or credit memo that exactly matches the charges on the procurement card, including all fees such as ticketing fees. If the booking fee is a separate charge on the procurement card, then there should be appropriate documentation for the separate charge. In addition, the invoice or credit memo should include the following: invoice number or credit memo number, passenger departure and return date, passenger name and passenger destination.

The agreement was signed by Mr. McDuffie for Action Air, Dr. Edginton for the University (Camp Adventure) and Tori Stafford for the University (OBO).

When we discussed our concerns regarding purchases made from Action Air and the apparent lack of independence in the selection process, Ms. Edginton provided the following explanations. We have also included our observations regarding the explanation provided.

- According to Ms. Edginton, Action Air has a unique capacity, having worked with the military in Europe for many years engaged in assisting with troop movements and NATO personnel.
  - While a number Camp Adventure programs are located at United States military installations, arranging airline tickets for the college students' travel to the program locations would not require any unique military knowledge or experience.
- According to Ms. Edginton, Action Air has the ability to manage travel internationally when problems have been encountered with student or staff travels.
  - While Action Air has demonstrated the ability to manage travel when problems have occurred, other travel agencies also have this ability. Having a representative to address such situations is a primary reason for arranging travel through a travel agency. We did not identify any unique characteristics of Action Air that made the vendor more qualified than other travel agencies.
- According to Ms. Edginton, Action Air's quotes do not change in price, whereas some consolidator's quotes increase on short notice.
  - We were unable to review specific situations in which Action Air's quotes remained constant and other consolidator's quotes increased on short notice. However, according to Short's representatives we spoke with, the quotes provided by Short's are valid for a period of time disclosed to the requesting party, usually 24 hours.

- According to Ms. Edginton, there is no vendor who will stay up night after night and handle difficult problems cost-effectively. Ms. Edginton also stated Mr. McDuffie personally handles any problems encountered.
  - According to a representative of Short's we spoke with, they have an answering service which accepts calls at any hour during any day of the week. Upon notification of a difficulty, Short's staff respond to make arrangements necessary to address the problem at no additional cost to the University. It seems unreasonable Mr. McDuffie, the owner and proprietor of Action Air, would have the same capacity to handle an extended series of difficulties as other travel agents who employ more than a single staff person.

As stated previously, University officials suspended the use of Action Air on March 31, 2008 pending the completion of our investigation. However, according to Ms. Edginton, while Camp Adventure was not purchasing airline tickets through Action Air, she continued to employ Mr. McDuffie as a consultant. For instance, she requested he check certain quotes Camp Adventure had received from Short's and asked him questions about travel through certain hubs. She also requested assistance in identifying appropriate routes for students and determining the reliability of certain airline carriers. Ms. Edginton also stated she had not paid Mr. McDuffie for his services. It is unclear why Mr. McDuffie would provide these services to Camp Adventure without the expectation of payment.

#### **Procurement card reconciliations**

The monthly statements for the University's procurement cards are mailed directly to OBO. The staff in OBO process the payments in a timely manner so finance charges are not incurred. The payments are posted to clearing accounts for the individual departments with procurement cards. Copies of the monthly statements are also sent to the respective departments. Staff within the departments are responsible for reviewing the statements to ensure accuracy and for matching individual purchases to supporting documentation for each charge. The copies and the original supporting documentation are to be filed with OBO by the 18<sup>th</sup> of the following month along with accounting information identifying the proper accounts to which the purchases are to be posted. Once OBO receives this information, an accounting entry is made to post the purchases to the proper account codes and reverse the prior entry to the clearing account.

Prior to January 2008, copies of billings for Camp Adventure's procurement cards were provided to an administrative staff member of Camp Adventure who was responsible for reviewing and preparing the billings for processing by OBO. However, the administrative staff member left Camp Adventure's employment in January 2008. When she left, there were several months of procurement card statements which had not yet been prepared for OBO. We spoke with OBO personnel and reviewed several e-mails they sent to Camp Adventure staff which document their attempts to obtain the procurement card reconciliations.

When asked why the reconciliations had not been submitted in a timely manner, Ms. Edginton stated Camp Adventure had been mandated by University officials to use the procurement cards on short notice. Camp Adventure was not provided sufficient lead time to put an appropriate reconciliation process in place. In addition, sufficient instruction to Camp Adventure staff or vendors regarding related procedures, including reconciliation, had not been provided, according to Ms. Edginton. She also stated she was not aware of the extent of support required to comply with the University's policy.

In March 2008, personnel from the Office of Internal Audits went to the Camp Adventure office to assist in reconciling the procurement cards. At that time, the charges on Camp Adventure's procurement cards which had not been properly reconciled totaled approximately \$900,000 according to personnel from the Office of Internal Audits. While reviewing Camp Adventure's unreconciled procurement card statements, personnel from the Office of Internal Audits determined the charges made with the procurement cards were not always properly supported. We determined:

- Some charges were supported by an invoice or other appropriate documentation from the preferred vendor listed on the procurement card statements.
- Some charges were supported by invoices from Action Air even though the procurement card statements showed the purchase was made through another travel agency.
- Other charges were supported by invoices or other documentation from the travel agency listed on the procurement card statements, which was not a University preferred vendor. As stated previously, when a procurement card is used to make a purchase from a vendor other than a University preferred vendor, documentation of the savings realized is to be attached to the procurement card statement. Documentation of any savings realized, as required by University policy, was not available.
- The remaining charges were not supported by any documentation.

Internal Audit staff also reviewed procurement card statements which had been previously reconciled and determined they also included charges from travel agencies which were supported by invoices from Action Air.

The purchases made on the Camp Adventure procurement card used primarily for European tickets purchased through Action Air during the period April 1, 2007 through February 28, 2008 totaled \$1,156,930.80. University officials have established a maximum limit of \$3,000 per transaction for the procurement cards issued to employees. The maximum credit limit per card allowed by the University is \$5,000, unless special approval has been obtained from the University's Purchasing and Payable Manager. Camp Adventure's procurement card limits were increased to \$250,000 in 2007 with a single transaction limit of \$25,000 due to the volume of airline tickets to be purchased for students and staff. **Table 2** lists the types of charges identified on the procurement cards.

<b>Table 2</b>	
<b>Description of Purchases</b>	<b>Amount</b>
Airline tickets	\$ 1,092,202.58
Agent/service fees	22,352.94
Other*	42,375.28
Total	<u>\$ 1,156,930.80</u>

\* - Includes rental cars and lodging charges

The \$1,156,930.80 of charges summarized in **Table 2** includes \$9,373.10 of personal purchases by Diane Engbretson, the former Assistant Director of Camp Adventure. These purchases were identified in a report on a special investigation released by the Office of Auditor of State on February 2, 2009.

When personnel from the Office of Internal Audits assisted with the reconciliation of the Camp Adventure procurement card statements, they identified a number of charges which were not supported by any documentation. A representative of Action Air faxed information to Camp Adventure to support some of the previously unsupported charges. However, we are unable to identify the charges supported by information faxed to Camp Adventure by Action Air. We are also unable to determine if the information faxed by Action Air was the documentation which originally supported the tickets purchased or if the documentation was prepared by Action Air in response to a request from Camp Adventure staff for support.

During our review of the purchases made with the procurement cards, we determined airline tickets purchased through Short's were properly supported by invoices from Short's which included the agent fee as well as the fee charged to the procurement card by the airline carrier. All charges for the tickets were clearly supported by the documentation provided by Short's. An example of an invoice from Short's and the related charges on the procurement card statement are included in **Appendix 1**.

We also determined tickets purchased through Action Air were charged to the University's procurement card by the ticket consolidators from whom the tickets had been purchased. Because Camp Adventure did not directly purchase tickets from the ticket consolidators, the consolidators did not consistently provide documentation of the purchases to Camp Adventure. However, Action Air provided invoices to Camp Adventure for most of the tickets purchased, but the invoices did not consistently match the charges made on the procurement card. An example of an invoice from Action Air and the related charges on the procurement card statement are included in **Appendix 2**. The **Appendix** also includes a copy of an invoice we obtained directly from SkyLink for the tickets purchased. As illustrated by the invoice, the 2 tickets were purchased by Action Air for \$1,157.75 each, or a total on \$2,315.50. This agrees with the amounts charged to the procurement card. However, Action Air's invoice shows a total of \$3,308.08

Because the invoices from Action Air did not typically agree with the amounts charged to the procurement card by the ticket consolidators, the reconciliation process was more difficult. The invoices from Action Air did not identify the amount paid for agent fees in accordance with the requirements established by the RFP. When we reviewed the invoices from Short's, we determined they properly identified the agent fees incurred.

In addition, the invoices from Action Air did not specify the cost per ticket when multiple tickets were purchased for students. The procurement card statements documented the individual tickets and associated agent fees. It was necessary to add various amounts together from the procurement card statements in an effort to support the amounts reported on the Action Air invoices.

Because the charges to the procurement card were made by the ticket consolidators rather than Action Air, the charges on the procurement card were not properly supported by appropriate documentation in accordance with the University's policy. As previously stated, the University's policy requires an original itemized receipt or invoice to support the charges on the procurement card.



We determined Mr. McDuffie, the owner and proprietor of Action Air, had provided the numbers of Camp Adventure's procurement card to the ticket consolidators to pay for the tickets he obtained on its behalf.

For example, Action Air provided the procurement card information to TPI, an airline ticket consolidator, to purchase tickets for a student traveling from Portland to Honolulu in September 2007. As a result, the procurement card statement included a charge from TPI. However, Camp Adventure only had an invoice from Action Air for the purchase. Copies of the related invoice from Action Air and the charges made to Camp Adventure's procurement card by TPI are included in **Appendix 3**. As illustrated by the **Appendix**, TPI also charged a service fee for the tickets purchased. In most cases, the Action Air invoices did not show the agent fees separately. As a result, when charges to the procurement card were supported only by documentation from Action Air, various charges on the procurement card statements have to be added together to agree with the invoice.

Of the 1,627 transactions on the procurement card statements, appropriate support was not available from Camp Adventure for approximately 1,500 transactions, or approximately 86% of the transactions. In order to determine the propriety of the purchases made with the procurement card, we attempted to obtain support directly from vendors, including ticket consolidators. We were unable to obtain receipts, invoices or other appropriate documentation from the vendor for 27 transactions which total \$12,507.20.

While the \$12,507.20 of purchases does not comply with the University's policy requiring supporting documentation, we were able to determine the purchases were airline tickets and related fees for students participating in the Camp Adventure program based on other procedures we performed. As a result, the unsupported purchases have not been identified as improper.

Prior to purchasing airline tickets with the procurement cards, Camp Adventure purchased airline tickets from Action Air and prepared vouchers used to issue checks to Action Air. Ms. Edginton stated Action Air carried the cost of the tickets until payment was made by check when the voucher system was used. We are unable to determine if the cost of the tickets purchased by Action Air from the ticket consolidators was paid by Mr. McDuffie prior to or after receipt of payments from Camp Adventure.

### **Improper Payments**

**Procurement of tickets** - Prior to the issuance of the procurement cards in March 2007, Action Air was paid through the University's voucher payment process and Short's was paid with an American Express credit card. According to University personnel, tickets were not purchased from Short's through the voucher process. The voucher payment process requires departments to prepare a Request for Payment (RP) document which lists the vendor name and includes the invoice number, date, and amount. The original invoice or other supporting documentation is required to be attached to the RP document for Camp Adventure payments, which is approved by Ms. Edginton as the Director of Camp Adventure. After approval, the RP is submitted to the Accounts Payable section of OBO, where it is reviewed and a check or wire transfer is prepared for the vendor for payment.

According to personnel from OBO, \$5,981,821.10 was paid to Action Air between July 1, 2001 and June 30, 2008. **Table 3** lists the amounts paid to Action Air each fiscal year through the University's voucher payment process.

**Table 3**

<b>Fiscal Year</b>	<b>Amount</b>
2002	\$ 698,032.68
2003	938,633.41
2004	943,435.49
2005	1,386,960.21
2006	1,336,508.62
2007*	533,236.56
2008*	145,014.13
<b>Total</b>	<b>\$ 5,981,821.10</b>

\* - University required Camp Adventure to use procurement cards for purchasing airline tickets beginning April 1, 2007.

As stated previously, effective April 1, 2007, Camp Adventure was required by the University to use procurement cards to purchase airline tickets. However, after April 1, 2007, \$277,647.62 was paid to Action Air through the voucher process for invoices dated after April 1, 2007. Because these travel costs were not paid with a procurement card, the payments did not comply with University policy

As stated previously, the purchases made on the Camp Adventure procurement card used primarily for European tickets purchased through Action Air during the period April 1, 2007 through February 28, 2008 totaled \$1,156,930.80. By reviewing the statements, we determined these charges were made by ticket consolidators from whom Action Air purchased tickets on behalf of Camp Adventure. Because the procurement card statements do not list Action Air as a vendor, we are unable to determine how or if agent fees were paid to Action Air for the tickets purchased with the procurement card.

With the assistance of OBO personnel, we were unable to locate any payments from Camp Adventure to Short's for airline tickets or agent fees through the voucher system for the period after April 1, 2007. All payments to Short's for airline tickets and agent fees were made with the procurement card and any refunds or ticket corrections were made through the procurement card.

**Verification of tickets** – For tickets purchased from Short's with the American Express card or the procurement card, we were able to determine the purchases were airline tickets and related fees for students participating in the Camp Adventure program.

We were unable to determine the propriety of tickets purchased through Action Air for which payment was made through the voucher system because sufficient information was not documented on the invoices from Action Air. As stated previously, the Action Air invoices did not consistently identify individual passengers or split the cost between the tickets and agent fees. In addition, Camp Adventure did not maintain copies of the tickets or similar documentation in the students' files.

As stated previously, for tickets purchased with the procurement card through Action Air, we were able to obtain receipts, invoices or other appropriate documentation directly from vendors. Using the supporting documentation obtained and other testing

procedures, we were able to determine the purchases were airline tickets and related fees for students participating in the Camp Adventure program.

Because of the concerns identified with the manner in which airline tickets were purchased by Camp Adventure from Action Air, the payments made to Action Air through the voucher system between April 1, 2007 and March 31, 2008 were compared to the charges to the procurement card by ticket consolidators. As a result of the comparison, personnel from the Office of Internal Audits identified improper payments. We reviewed Internal Audits' findings and identified additional improper payments.

By comparing the passenger names, dates of travel, ticket destinations and student information from Camp Adventure, we identified tickets purchased for students with the procurement card for whom tickets were also paid for through the voucher system. Specifically, we identified:

- a. 9 instances in which the dates and destinations of tickets purchased with the procurement card agreed with the dates and destinations of tickets listed on invoices from Action Air which were also paid through the voucher system.
- b. 10 instances in which tickets were paid for with the procurement card and Action Air was also paid through the voucher system. For each of the 10 instances identified, either the dates of travel agreed between the procurement card statements and the Action Air invoices but the destination did not agree, or the destination agreed between the procurement card statements and the Action Air invoices but the dates did not agree.
- c. 7 instances in which the destination of the tickets purchased for the students through the voucher system agreed with the students' assigned camp location. However, the tickets purchased for the students with the procurement card did not agree with the students' assigned camp location.

The 26 instances identified are described in the following paragraphs and are listed in **Exhibits A** through **C**. As illustrated by the **Exhibits**, Camp Adventure received refunds for some of the tickets. However, most of the refunds received were requested after we identified the duplicate payments during our fieldwork. Also, as illustrated by the **Exhibits**, some of the refunds were for the ticket price net of a \$300 penalty and some tickets were not eligible for refund because they involved a domestic flight. We did not identify these types of occurrences for tickets which were refunded to Camp Adventure by Short's.

- a. **Dates and Locations Agree** – For only 9 of the 26 instances identified, the dates and destinations shown on the procurement card statements and the invoices from Action Air agreed. The 9 duplicate payments are listed in **Exhibit A** and total \$10,187.74. The amount refunded to Camp Adventure for the duplicate tickets totals \$5,716.21.

As illustrated by the **Exhibit**, the amount paid to Action Air has been identified as improper for most of the transactions. Because University policy requires airline tickets be purchased with a procurement card, the amount paid to Action Air on a voucher is improper.

- b. **Tickets with Conflicting Dates or Locations** – For 10 of the 26 instances identified, the dates and/or destinations shown on the procurement card statements did not agree with the information shown on the invoices from Action Air.

For example, a round trip ticket was purchased for a student from Portland, OR to Seoul, Korea with the procurement card. According to the invoice from Action Air, the student's departure date from Portland was June 15, 2007. He was to depart Seoul on August 18, 2007. However, according to the procurement card statement, tickets were purchased for the student from Seoul to Atlanta with a departure date of July 12, 2007 and from Wichita to Seoul with a departure date of July 15, 2007.

The 10 tickets identified are listed in **Exhibit B** and total \$14,144.64. The amount refunded to Camp Adventure for these tickets totals \$6,852.64. As illustrated by the **Exhibit**, the amount paid to Action Air has been identified as improper. As previously stated, according to the University's policy, airline tickets are to be purchased with a procurement card.

- c. **Tickets to Destinations Other Than Camp Locations** – For the remaining 7 of 26 instances identified, the destination of the ticket purchased for a student did not agree with the camp to which the student was assigned, according to Camp Adventure's database. In addition, some of the dates of the tickets identified do not agree with the camp dates. The 7 tickets are listed in **Exhibit C** and total \$8,952.81. The amount refunded to Camp Adventure for these tickets totals \$4,765.48.

As illustrated by **Exhibit C**, the destination of the tickets purchased with the procurement card did not agree with the location of the camp to which the student was assigned, but the destination of the tickets described on the Action Air invoice did. As a result, the amount paid with the procurement card for the 7 tickets has been identified as improper.

As illustrated by **Exhibits A** through **C**, the amount paid to Action Air was frequently not the same as the amount on the procurement card. For some instances, the difference is approximately \$50.00 and may be the agent fee associated with the ticket. However, for other instances, the difference is greater than can be explained by the agent fee.

As explained in the **Exhibits**, because the invoices from Action Air sometimes included multiple tickets and did not list the cost of each ticket separately, the invoice total was divided evenly among all passengers listed if a duplicate payment occurred for only 1 passenger listed on the Action Air invoice.

**Explanations from Camp Adventure Director** – When asked about the 26 instances identified, Ms. Edginton stated the amount of duplicate payments did not surprise her due to the volume of tickets they have to purchase. She believed it would not be unusual for some of the invoices to fall through the cracks. She also stated several of the duplicate payments occurred prior to increasing the credit limit of the procurement card. When the credit limit was reached, paper warrants were issued. However, the procurement card limits were increased to \$250,000 in April 2007, when the cards were initially provided to Camp Adventure. In some cases, it appears the purchase was later charged to the procurement card after the voucher was processed. However, when we asked for explanations for specific duplicate payments, this explanation was not provided.

Ms. Edginton subsequently provided explanations for certain instances identified. The explanations provided are included in **Exhibits A** through **C**. As stated previously, copies of the tickets or other similar documentation was not maintained by Camp Adventure. As a result, we are unable to determine the propriety of the explanations provided by Ms. Edginton.

Several of the explanations provided by Ms. Edginton simply state the ticket was cancelled and refunded without an indication why the second ticket was purchased. As illustrated by the **Exhibits**, some of the instances identified were a result of the destinations to which student counselors were sent was changed after the airline tickets for the original destination were purchased. Other explanations provide information about changes made to the purchased tickets. For example, a student was assigned to a camp in Japan from June 9, 2007 through September 5, 2007. The tickets paid for through the voucher process show departure dates from Portland and Tokyo of June 8, 2007 and September 5, 2007, respectively. However, tickets purchased with the procurement card show the student departed from Portland for Orlando on August 21, 2007. According to the explanation provided by Ms. Edginton, the student was in Japan for the summer then went to Key West in the fall. The return ticket from Japan was changed for an early return on August 18, 2007. However, the database maintained by Camp Adventure does not show the student went to a camp in Key West.

Because appropriate supporting documentation was not available, we are unable to verify the validity of the explanations provided by the Director.

### **Arm's Length Transactions**

Based on our review of actions taken by Camp Adventure officials, it appears there is a relationship between Camp Adventure officials and John McDuffie, the proprietor of Action Air, which causes us to question whether the transactions between the parties are conducted at "arm's length." Specifically, during the course of our review, we identified the following:

- Camp Adventure officials were the only individuals included in the "references" section of a response to an RFP submitted by Action Air. The officials listed as references were the individuals who decided to enter into an agreement with Action Air to procure airline tickets for Camp Adventure.
- As stated previously, when we spoke with Ms. Edginton, she indicated Action Air did not provide services to anyone other than Camp Adventure and, on a limited basis, the University's School of Health, Physical Education and Leisure Services. Dr. Edginton is the Director of the School. When we asked Mr. McDuffie to identify other clients he provided services to, he provided a list composed primarily of individuals. He also explained "Prior to Camp Adventure's business, 85% of my business was from clients in [New York City] and the others were from military bases throughout the USA and overseas." We are unable to determine when or if Mr. McDuffie ceased providing services to these clients.

In addition, when we obtained documentation from vendors from whom Action Air purchased airline tickets for Camp Adventure, we were able to determine Action Air had not purchased tickets through the ticket consolidators for any parties other than Camp Adventure and the University's School of Health, Physical Education and Leisure Services.

- Staff from the Board of Regents' Office of Internal Audits contacted the Iowa Secretary of State's Office in April 2008 and determined Action Air was not registered in the State of Iowa. We contacted the Secretary of State's Office and determined Action Air applied for a registration on April 8, 2008. Prior to this date, Action Air had been doing business with the University without a valid registration.

- When we discussed our concerns regarding purchases made from Action Air and the apparent lack of independence in the RFP selection process, Ms. Edginton provided explanations which were not unique to Action Air. The services cited by Ms. Edginton are also provided by the University's preferred vendors for travel services.
- During the time University officials suspended the use of Action Air pending the completion of our investigation, Ms. Edginton stated she continued to employ Mr. McDuffie as a consultant. According to Ms. Edginton, she did not pay Mr. McDuffie for his services. It is unclear why Mr. McDuffie would provide services to Camp Adventure without the expectation of payment.

In addition, we have been unable to determine how Mr. McDuffie was compensated for his services for airline tickets purchased with procurement cards. We were unable to identify any charges incurred on the procurement cards for Action Air or payments made through the voucher system for anything other than tickets according to the invoices.

While Ms. Edginton stated she did not pay Mr. McDuffie for his services, Mr. McDuffie reported he received a \$395 payment in January 2009 for services. When we asked Ms. Edginton about the payment, she reported it was made with her personal funds. **Appendix 4** includes copies of e-mail messages regarding the payment.

- During the course of our investigation, we received several communications from Ms. Edginton which expressed a very strong desire to reinstate the use of Action Air as a vendor from whom airline tickets could be purchased. **Appendix 5** includes a copy of a 4 page e-mail titled "Injustice Done to Minority Vendor: Action Air." In the e-mail, Ms. Edginton expressed concern regarding a "shadow of doubt" cast upon "his [Mr. McDuffie's] integrity." The final paragraph of the e-mail states, in part, Mr. McDuffie's "business has been damaged, as well as his personal life due to the reduction of anticipated income." It is unusual for a University administrator to have knowledge of a vendor's "personal life" and address it in a professional e-mail. In addition, Ms. Edginton's e-mail closed with the remark "it is also important to be fair with this good man." Again, it is unusual for University administrators to address concerns of this nature on such a personal level.

Also, as illustrated by the **Appendix**, Ms. Edginton stated "we have lost money because of our inability to use this vendor." We have been unable to determine how Camp Adventure "lost money" because it was unable to use Action Air's services. In addition, Ms. Edginton expressed a desire we acknowledge the 8 years of "excellent service previously provided and the mitigating circumstances that existed with the transition to the credit card in 2007." The procedures performed were not designed to assess the quality of the services provided. However, based on our review, the services provided by Action Air were not significantly distinguishable from Short's, other than they were not properly supported by appropriate documentation. In addition, the "mitigating circumstances that existed with the transition to the credit card in 2007" were also faced by Short's without any significant difficulties.

Based on the procedures we performed, the invoices from Action Air did not provide sufficient detail and frequently did not support the amounts charged to the procurement card, which caused significant difficulties when attempting to reconcile

the charges to supporting documentation. Monthly reconciliations of procurement card activity is required by University policy, but was not possible with the documentation provided by Action Air. If Camp Adventure procures airline tickets or other services through Action Air in the future, appropriate documentation providing sufficient detail to properly reconcile charges to services received should be obtained from the vendor. In addition, the documentation should be monitored by staff from the Office of Internal Audits.

## **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by the University of Northern Iowa to process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from errors or irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the University's internal controls.

- (A) Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible.

Prior to the departure of an administrative staff person at Camp Adventure, someone independent of the use of the procurement cards reconciled the activity on the cards to supporting documentation each month. However, after the administrative staff person left Camp Adventure's employment, the monthly reconciliation was not performed in a timely manner.

In addition, it was determined the reconciliations performed did not identify certain charges on the procurement cards were not properly supported by documentation from the vendor making the charge to the procurement cards. Rather, the charges were supported by another vendor.

Recommendation – University officials should ensure departments properly comply with procedures established regarding the timely and accurate reconciliation of procurement card purchases to appropriate documentation. Exceptions identified during the reconciliation process should be discussed with OBO staff so an appropriate resolution may be identified and carried out.

- (B) Disbursements – Purchases made with procurement cards were not always supported by invoices or other appropriate documentation.

Recommendation – All purchases should be supported by invoices or other appropriate supporting documentation.

- (C) Duplicate Payments – A number of duplicate payments to Action Air were identified. In addition to charges incurred on Camp Adventure's procurement cards for airline tickets, payments were made to Action Air using paper vouchers. University policy requires airline tickets be purchased with a procurement card.

Recommendation – Camp Adventure officials should implement procedures to ensure purchases are not paid more than once.

In addition, staff in the Accounts Payable section of OBO should ensure airline tickets are purchased only with procurement cards rather than through the voucher process, in accordance with University policy.



- (D) Procurement of Services – The University has assigned responsibility for identifying preferred vendors to OBO personnel. However, Camp Adventure purchased a significant number of airline tickets from a travel agency which was not identified by OBO as a preferred vendor without documenting the significant savings incurred, as required by University policy.

Recommendation – Procedures should be established to ensure purchases by departments are made from preferred vendors or comply with University policy to obtain the best price possible.

- (E) Record Keeping – Limited financial records were maintained by Camp Adventure for the airline tickets purchased. In addition, reconciliation procedures were not performed in a timely manner for purchases made with the procurement cards.

Also, contracts and other documents related to the business relationship between Camp Adventure and Action Air were not properly maintained.

Recommendation – Camp Adventure officials should implement procedures to ensure appropriate documentation is maintained in an orderly manner.

- (F) Bid Process – On February 12, 2007, the University sent out requests for proposals (RFPs) to provide travel services for Camp Adventure to start on or before April 1, 2007. The response submitted by Action Air listed only Susan Edginton and Dr. Christopher Edginton as references. We are unable to determine if Camp Adventure officials requested references from other entities for whom Action Air had provided travel services.

Because the responses to the RFP were reviewed and evaluated by Dr. and Ms. Edginton, there appears to be a lack of independence in the selection of Action Air as a primary vendor for airline tickets.

Recommendation – University officials should implement procedures to ensure responses to RFPs are evaluated by independent parties.

**Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program**

## **Exhibits**

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Duplicate Payments  
For the period April 1, 2007 through March 31, 2008

Passenger Name	Per Procurement Card Statement				Departure Date
	Departure Date	From	To	Price	
Rachel Gronvold	06/09/07	Venice, Italy	Frankfurt, Germany	\$ 452.06	03/25/07 ~
	08/18/07	Frankfurt, Germany	Seattle, Washington	1,180.30	06/09/07
				<u>1,632.36</u>	08/18/07
Aaron Poole	06/17/07	* Portland	Venice, Italy	1,476.81	06/17/07
				<u>1,476.81</u>	09/04/07
Hayley Spacek	06/17/07	* Portland	Venice, Italy	1,476.81	06/17/07
				<u>1,476.81</u>	09/04/07
Corey Arkush	06/08/07	* Chicago, O'hare	Venice, Italy	1,369.60	06/08/07
				<u>1,369.60</u>	09/04/07
Leah Kelsch	06/10/07	* Seattle	Jerez De La Frontera	1,525.47	06/10/07
				<u>1,525.47</u>	08/19/07
Shana Chavez	05/10/07	Los Angeles	Cedar Rapids	897.61	05/10/07
		Cedar Rapids	Los Angeles	<u>897.61</u>	05/13/07
Amanda Grimm	06/15/07	Portland	Busan, Korea	1,418.30	06/15/07
		Busan, Korea	Portland	<u>1,418.30</u>	08/18/07
Bobbi Meyer	05/31/07	Cedar Rapids	Washington D.C., Reagan	219.60	05/31/07
		Washington D.C., Reagan	Cedar Rapids	<u>219.60</u>	06/03/07
Heidi VanBeek	07/31/07	Cedar Rapids	Philadelphia	450.59	07/31/07
		Philadelphia	Cedar Rapids	<u>450.59</u>	08/03/07
Total					

\* - The information on the procurement card statement did not specify if the charge was for a round trip or a one-way ticket. Based on the cost and because tickets for a return flight were not located on the procurement card statements, it appears this purchase was for round-trip tickets.

~ - Prior to beginning date of procurement cards (April 1, 2007).

^ - Because some invoices from Action Air included multiple tickets and did not list the cost of each ticket separately, the invoice total was divided evenly among all passengers listed.

<b>Per Paid Action Air Invoice</b>					
<b>From</b>	<b>To</b>	<b>Individual Ticket Price^</b>	<b>Duplicate Payment</b>	<b>Explanation from Camp Adventure Director</b>	<b>Refunded by Action Air</b>
Seattle, Washington	Venice, Italy			Second ticket was purchased by Camp Adventure official in error and sent to the student. Student did not notify Camp Adventure of the error.	-
Venice, Italy	Frankfurt, Germany				
Frankfurt, Germany	Seattle, Washington	\$ 1,275.30			
		<u>1,275.30</u>	\$ 1,275.30		
Portland	Venice			Ticket cancelled and fully refunded on 08/25/08. Duplicated ticket.	1,426.81
Venice	Portland	1,426.81			
		<u>1,426.81</u>	1,426.81		
Portland	Venice			Ticket cancelled and fully refunded on 08/25/08. Duplicated ticket.	1,426.81
Venice	Portland	1,426.81			
		<u>1,426.81</u>	1,426.81		
Chicago	Venice			Ticket cancelled and refunded \$1,087.90 on 08/23/08. Refund was less \$300.00 penalty. Remaining \$31.83 variance was unexplained.	1,087.90
Venice	Chicago	1,419.73			
		<u>1,419.73</u>	1,419.73		
Seattle	Jerez De La Frontera			None.	-
Jerez De La Frontera	Seattle	1,937.80			
		<u>1,937.80</u>	1,937.80		
Orange County	Cedar Rapids			Student missed her original flight. A new ticket was issued. Because the original ticket was domestic, the ticket is non-refundable.	-
Cedar Rapids	Los Angeles	626.60			
		<u>626.60</u>	626.60		
Portland	Busan			Duplicate ticket. Ticket was cancelled and refunded for \$1,254.50 on 08/23/08. Refund was less \$300.00 penalty.	954.50
Busan	Portland	1,254.50			
		<u>1,254.50</u>	1,254.50		
Cedar Rapids	Washington/Reagan			Ticket was cancelled and refunded on 08/23/08.	244.60
Washington/Reagan	Cedar Rapids	244.60			
		<u>244.60</u>	244.60		
Cedar Rapids	Philadelphia			Duplicate ticket. Ticket was cancelled and refunded for \$100.00 on 12/14/07 and \$475.59 on 04/04/08.	575.59
Philadelphia	Cedar Rapids	575.59			
		<u>575.59</u>	575.59		
			<u>\$ 10,187.74</u>		<u>5,716.21</u>

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Payments for Tickets with Conflicting Dates or Locations  
For the period April 1, 2007 through March 31, 2008

Passenger Name	Per Camp Adventure Database			Per Procurement Card Statement			
	Departure Date	Return Date	Camp Location	Departure Date	From	To	Price
Rose Ann Nakao	06/23/07	09/29/07	Darmstadt, Germany	06/18/07	* Venice, Italy	Frankfurt, Germany	\$ 329.59 293.87 <u>623.46</u>
Francesca Fricanco	06/10/07	08/25/07	Nagasaki, Japan	06/14/07	* Chicago, O'hare	Tokyo, Japan Narita	1,873.00
				06/15/07	Tokyo, Japan Narita	Fukuoka, Japan	277.20 <u>2,150.20</u>
Arpi Nazaryan	06/18/07	09/04/07	Aviano, Italy	06/17/07	* Los Angeles	Venice, Italy	323.00 1,432.60 <u>1,755.60</u>
Sarah Roberts	06/16/07	08/18/07	Yongsan, Korea	06/15/07	San Francisco	Seoul, Korea (RT)	1,602.70 <u>1,602.70</u>
Nicole Miller	06/11/07	09/02/07	Sigonella, Sigonella (Sicily, Italy)	06/10/07	* San Francisco	Milan	1,560.48 <u>1,560.48</u>
Miles Robinson	06/16/07	08/18/07	Taegu, Korea	06/15/07	* Los Angeles	Busan, Korea	1,540.70 354.80 <u>1,895.50</u>
Bryce Summers	06/16/07	08/18/07	Yongsan, Korea	07/10/07			100.00
				07/12/07	Seoul	Atlanta	1,881.90
				07/15/07	Wichita	Seoul	809.10 <u>2,791.00</u>
Amanda Hedges	06/10/07	08/18/07	Livorno, Italy				25.00 25.00
				08/18/07	* Pisa, Italy	Venice, Italy	481.19 <u>531.19</u>
Taylor Schaa	06/10/07	08/18/07	Livorno, Italy	06/22/07	* Cedar Rapids	Pisa, Italy	1,692.50 <u>1,692.50</u>
Nicole Parker	06/16/07	08/18/07	Yongsan, Korea	06/15/07	* New York	Seoul	1,647.70 <u>1,647.70</u>
Total							

\* - The information on the procurement card statement did not specify if the charge was for a round trip or one-way ticket.  
Based on the cost and because tickets for a return flight were not located on the procurement card statements, it appears this purchase was for round-trip tickets.

^ - Because some invoices from Action Air included multiple tickets and did not list the cost of each ticket separately, the invoice total was divided evenly among all passengers listed.

Per Paid Action Air Invoice						
Departure Date	From	To	Individual Ticket Price^	Duplicate Payment	Explanation from Camp Adventure Director	Refunded by Action Air
03/25/07	Seattle, Washington	Venice, Italy				
06/23/07	Venice, Italy	Seattle, Washington	\$ 995.70		Second ticket was issued because student arrived at airport too late to check in. No refund was allowed.	-
			995.70	\$ 995.70		
06/09/07	Chicago	Fukuoka				
08/25/07	Fukuoka	Chicago	1,417.20		Ticket was canceled because student did not receive passport on time. Ticket was refunded for \$1,117.20 on 08/23/08 after \$300.00 penalty.	1,117.20
			1,417.20	1,417.20		
06/08/07	San Francisco	Tokyo-Narita				
08/18/07	Tokyo-Narita	San Francisco	1,036.80		Counselor moved from Japan to Italy after original Japan ticket was bought. Ticket cancelled and refunded for \$736.80 on 08/25/08 after \$300.00 penalty.	736.80
			1,036.80	1,036.80		
06/15/07	San Francisco	Busan				
08/18/07	Busan	San Francisco	1,347.50		Counselor moved from Busan to Yongsan after original Busan ticket was bought. Ticket canceled and refunded for \$1,047.50 on 05/26/07 after \$300.00 penalty.	1,047.50
			1,347.50	1,347.50		
06/10/07	San Francisco	Catania				
09/02/07	Milan/Linate	San Francisco	1,724.84		Ticket cancelled and fully refunded on 05/23/07.	1,724.84
			1,724.84	1,724.84		
06/15/07	Portland	Seoul				
08/18/07	Seoul	Portland	1,356.80		Counselor moved from Yongsan to Busan after original Yongsan ticket was bought. Ticket canceled and refunded for \$1,056.80 on 08/07/08 after \$300.00 penalty.	1,056.80
			1,356.80	1,356.80		
06/15/07	Portland	Seoul	1,356.80		Ticket was purchased for counselor to return home for a family funeral in Wichita, KS. Family paid for connection between Wichita and Portland. Counselor returned to Korea on 07/16/07 and stayed for the rest of the summer.	-
08/18/07	Seoul	Portland				
			1,356.80	1,356.80		
06/09/07	Portland	Pisa				
08/18/07	Pisa	Portland	1,750.30		Student stayed for an early fall program so ticket was extended.	-
			1,750.30	1,750.30		
06/09/07	Cedar Rapids	Pisa				
08/18/07	Pisa	Cedar Rapids	1,689.20		Ticket was cancelled on 06/08/07. No refund on the ticket. Further explanation not provided.	-
			1,689.20	1,689.20		
06/15/07	NYC/Laguardia	Busan				
08/18/07	Busan	NYC/Laguardia	1,469.50		Camp Adventure moved the counselor from Busan to Yongsan after original ticket was bought. Ticket was canceled and refunded for \$1,169.50 on 08/07/08 after \$300.00 penalty.	1,169.50
			1,469.50	1,469.50		
				<u>\$ 14,144.64</u>		<u>6,852.64</u>

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Payments for Tickets to Destinations Other Than Camp Location  
For the period April 1, 2007 through March 31, 2008

Passenger Name	Per Camp Adventure Database			Per Procurment Card Statement			
	Departure Date	Return Date	Camp Location	Departure Date	From	To	Price
Haley Johnson	06/09/07	09/05/07	Camp Zama, Japan	08/21/07	Portland	Orlando , FL (RT)	\$ 793.90
Krista Kutzer	06/09/07	09/05/07	Camp Zama, Japan	08/21/07	Portland	Orlando , FL (RT)	733.90
							<u>1,527.80</u>
Ricah Quinto	06/18/07	09/01/07	Boston, MA	08/27/07	San Francisco	Key West, FL (RT)	572.61
							<u>572.61</u>
Alys Hesselroth	05/22/07	08/18/07	Mayport, FL	06/04/07	Seattle	Honolulu, Hawaii (RT)	518.78
	06/04/07	07/28/07	Pearl City, Hawaii				<u>518.78</u>
Charmise Lenoir	06/03/07	08/18/07	Foster Day Camp	06/07/07	* Jacksonville	Tokyo, Japan Narita	1,840.50
			Okinawa, Japan	06/08/07	Tokyo, Japan -Haneda	Okinawa, Japan	308.50
							<u>2,149.00</u>
Theresa Long	07/19/07	09/06/07	St. Magwan, Europe	05/09/07	* Detroit	Cedar Rapids	209.60
							<u>209.60</u>
Steve Cobb	06/11/07	09/02/07	Sigonella	06/10/07	San Francisco	Milan	1,560.48
				07/06/11	Rome	Milan	199.63
Erin Johnson	06/11/07	09/02/07	Sigonella	06/10/07	San Francisco	Milan	1,560.48
				07/06/11	Rome	Milan	199.63
							<u>3,520.22</u>
Anexan Gonzalez	06/03/07	08/18/07	Okinawa, Japan	06/04/07	* Los Angeles	Honolulu	454.80
							<u>454.80</u>
Total							

\* - The information on the procurement card statement did not specify if the charge was for a round trip or one-way ticket.  
Based on the cost and because tickets for a return flight were not located on the procurement card statements, it appears this purchase was for round-trip tickets.

^ - Because some invoices from Action Air included multiple tickets and did not list the cost of each ticket separately, the invoice total was divided evenly among all passengers listed.



Per Paid Action Air Invoice						
Departure Date	From	To	Individual Ticket Price^	Duplicate Payment	Explanation from Camp Adventure Director	Refunded by Action Air
06/08/07	Portland	Tokyo-Narita			Counselor was in Zama, Japan for the summer then went to Key West in the fall. Ticket changed for early return on 08/18/07.	
09/05/07	Tokyo-Narita	Portland	\$ 3,109.80			
			<u>3,109.80</u>	\$ 1,527.80		-
06/18/07	San Francisco	Boston			Counselor was in Boston for the summer then went to Key West in the fall. Ticket changed for early return on 08/25/07.	
09/01/07	Boston	San Francisco	463.80			
			<u>463.80</u>	572.61		-
05/22/07	Seattle	Jacksonville			Counselor was moved from Jacksonville to Hawaii after Jacksonville ticket was bought. Domestic ticket was non-refundable.	
08/18/07	Jacksonville	Seattle	408.60			
			<u>408.60</u>	518.78		-
06/02/07	Jacksonville	Okinawa			Student did not receive passport on time. Ticket cancelled and refunded on 08/23/08 for \$1,315.80 after \$300.00 penalty.	
08/18/07	Okinawa	Jacksonville	1,615.80			
			<u>1,615.80</u>	2,149.00		1,315.80
04/01/07	Detroit	Venice			Student did not travel to destination due to illness. She dropped from the program and the ticket was not used.	
06/23/07	Milan/Malpensa	Detroit	1,171.20			
			<u>1,171.20</u>	209.60		-
06/10/07	San Francisco	Catania				
09/02/07	Catania	San Francisco	3,449.68			
			<u>3,449.68</u>	3,520.22	Duplicate ticket was cancelled and refunded on 08/25/08.	3,449.68
06/03/07	Los Angeles	Okinawa			Counselor was moved from Hawaii to Okinawa after Hawaii ticket was bought. Domestic ticket is non-refundable.	
08/18/07	Okinawa	Los Angeles	1,370.72			
			<u>1,370.72</u>	454.80		-
				<u>\$ 8,952.81</u>		<u>4,765.48</u>

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director  
Billie Jo Heth, Senior Auditor II

A handwritten signature in cursive script that reads "Tamera S. Kusian".

Tamera S. Kusian, CPA  
Deputy Auditor of State

## **Appendices**

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Invoice from Short's and Camp Adventure Procurement Card Statement

CORPORATE PAYMENT SYSTEMS  
P.O. BOX 6343  
FARGO, ND 58125-6343

283R19

ACCOUNT NUMBER [REDACTED]

AMOUNT DUE \$0.00

**\*\* MEMO STATEMENT ONLY \*\*  
DO NOT REMIT PAYMENT**

DIANNE M CHEESEMAN  
UNIV OF NORTHERN IOWA  
COLLEGE OF BUSINESS ADMINISTRATION  
325 CURRIS BUSINESS BUILDING  
CEDAR FALLS IA 50614-0001

PLEASE MAKE ANY ADDRESS CHANGES  
ON THE BACK OF THE PAYMENT COUPON  
DETACH HERE AND RETURN WITH PAYMENT

000000000

**MESSAGES:**

Your Remaining Available Balance is \$14,721.95.

TRAN DATE	POST DATE	REF #	TRANSACTION DESCRIPTION	AMOUNT	-NOTATION-
06-25	06-26	94936	CMA PUBLISH BLACK ISSUES 703-3852981 VA	2,195.00	✓
06-29	07-02	21070	FINANCIAL MANAGEMENT ASSO 813-974-2084 FL	310.00	✓
07-18	07-19	66161	GOOGLE *EVENTUS GOOGLE.COM/CH CA	995.00	
07-17	07-19	48810	NWA AIR 0127143182059 WATERLOO IA	1,733.05	
			MITRA/ATUL DEPARTURE: 10-18-07		
			ALO NW Q MSP NW Q NRT NW M HKG NW M NRT		
07-17	07-19	14714	AGENT FEE 8905055753818 SHORTS TRAVEL IA	45.00	
			MITRA/ATUL DEPARTURE: 07-17-07		
			XAA XD Y XAO		

ACCOUNTING CODE 4798-1712-7700-3833		SIGNATURE/APPROVAL	
CUSTOMER SERVICE CALL  <b>1-800-344-5696</b>	CARD ACCOUNT NUMBER [REDACTED]	ACCOUNT SUMMARY	
	STATEMENT DATE: 07/25/07	PURCHASES, FEES & ADJUSTMENTS	5,278.05
		CHECKS/CASH ADVANCES	.00
BILLING OFFICE ACCOUNT NUMBER 4715-1103-0085-9829 BILLING OFFICE CONTACT AND ADDRESS UNIVERSITY OF NORTHERN IOWA KELLY FLEGE 256 GILCHRIST ST CEDAR FALLS IA 50614-0060		CREDITS	.00
		STATEMENT TOTAL	5,278.05
		CREDIT LIMIT	20,000.00

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Invoice from Short's and Camp Adventure Procurement Card Statement



SHORTS TRAVEL MGMT                      PHONE: 319 234-5577  
1203 W. RIDGEWAY AVE              TOLL FREE: 800 274-6787  
WATERLOO IA 50701                      FAX: 319 234-2490

WWW.SHORTSTRAVEL.COM

PLEASE REVIEW THE ENTIRE ITINERARY. NOTIFY SHORTS OF ANY  
DISCREPANCIES WITHIN 24 HOURS TO AVOID ADDITIONAL COSTS.

UNIVERSITY OF NORTHERN IOWA                      MITRA/ATUL\*NI21011  
ATTN: DIANNE CHEESEMAN  
CBB 325  
CEDAR FALLS IA 50614-0123

BRANCH NO: 01  
DDL27 RL:N90CLH ITIN/INV NO: 1054958 DATE: JUL 17 2007 NI21011

18 OCT 07 - THURSDAY

NORTHST AIR 3023 COACH CLASS EQUIP-SAAB SF340

OPERATED BY-MESABA AVIATION INC.

LV: WATERLOO 1105A NONSTOP MILES- 166 CONFIRMED  
IOWA

AR: MPLS/ST PAUL 1215P ELAPSED TIME- 1:10  
MINNESOTA

FREQ FLYER-NW

\*RESERVED SEATING IS RESTRICTED TO 90 DAYS PRIOR TO TRAVEL.

I WILL CHECK FOR YOUR SEATING AT THAT TIME.

AIRLINE LOCATOR: NW -OJXLMY

NORTHST AIR 19 COACH CLASS EQUIP-BOEING 747 JET

LV: MPLS/ST PAUL 300P NONSTOP MILES- 5950 CONFIRMED  
MINNESOTA

AR: TOKYO/NARITA 525P ELAPSED TIME-12:25 ARVL DATE-19 OCT  
JAPAN

DINNER-BREAKFAST

FREQ FLYER-NW

\*RESERVED SEATING IS RESTRICTED TO 90 DAYS PRIOR TO TRAVEL.

I WILL CHECK FOR YOUR SEATING AT THAT TIME.

AIRLINE LOCATOR: NW -OJXLMY

19 OCT 07 - FRIDAY

NORTHST AIR 1 COACH CLASS EQUIP-BOEING 747 JET

LV: TOKYO/NARITA 635P NONSTOP MILES- 1827 CONFIRMED  
JAPAN

AR: HONG KONG 1020P ELAPSED TIME- 4:45  
HONG KONG (SAR) CHINA

DINNER

FREQ FLYER-NW

\*RESERVED SEATING IS RESTRICTED TO AIRPORT CHECK IN ONLY.

PLEASE CHECK AT AIRPORT FOR SEATS.\*

AIRLINE LOCATOR: NW -OJXLMY

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Invoice from Short's and Camp Adventure Procurement Card Statement

02 NOV 07 - FRIDAY  
NORTHWEST AIR 2 COACH CLASS EQUIP-BOEING 747 JET  
LV: HONG KONG 815A NONSTOP MILES- 1827 CONFIRMED  
HONG KONG (SAR) CHINA  
AR: TOKYO/NARITA 130P ELAPSED TIME- 4:15  
JAPAN  
BREAKFAST  
FREQ FLYER-NW [REDACTED]  
\*RESERVED SEATING IS RESTRICTED TO AIRPORT CHECK IN ONLY.  
PLEASE CHECK AT AIRPORT FOR SEATS.\*  
AIRLINE LOCATOR: NW -OJXLMY

NORTHWEST AIR 20 COACH CLASS EQUIP-BOEING 747 JET  
LV: TOKYO/NARITA 325P NONSTOP MILES- 5950 CONFIRMED  
JAPAN  
AR: MPLS/ST PAUL 1205P ELAPSED TIME-10:40  
MINNESOTA  
DINNER-BREAKFAST  
FREQ FLYER-NW [REDACTED]  
\*RESERVED SEATING IS RESTRICTED TO 90 DAYS PRIOR TO TRAVEL.  
I WILL CHECK FOR YOUR SEATING AT THAT TIME.  
AIRLINE LOCATOR: NW -OJXLMY

NORTHWEST AIR 3024 COACH CLASS EQUIP-SAAB SF340  
OPERATED BY-MESABA AVIATION INC.  
LV: MPLS/ST PAUL 506P NONSTOP MILES- 166 CONFIRMED  
MINNESOTA  
AR: WATERLOO 616P ELAPSED TIME- 1:10  
IOWA  
FREQ FLYER-NW [REDACTED]  
\*RESERVED SEATING IS RESTRICTED TO 90 DAYS PRIOR TO TRAVEL.  
I WILL CHECK FOR YOUR SEATING AT THAT TIME.  
AIRLINE LOCATOR: NW -OJXLMY

COLLEGE OF BUSINESS ADMINISTRATION

\*\*\* PHOTO I.D. IS REQUIRED UPON CHECKIN FOR ALL PASSENGERS.\*\*\*  
A VALID PASSPORT IS REQUIRED. PLEASE RE-CONFIRM FLIGHT ARRANGEMENTS  
WITH THE AIRLINE 72HRS PRIOR TO FLIGHT.  
ANY CHANGES OR CANCELLATIONS TO THIS RESTRICTED FARE MUST BE  
MADE PRIOR TO THE TICKETED DEPARTURE TIME. CHANGES ARE SUBJECT  
TO AVAILABILITY AND MAY RESULT IN A FARE INCREASE IN ADDITION TO  
APPLICABLE REISSUE FEES.  
DUE TO INCREASED SECURITY MEASURES TWO HOURS ARE  
REQUIRED FOR CHECK IN ON ALL FLIGHTS  
FOR EMERGENCY TRAVEL ASSISTANCE WHILE IN JAPAN  
PLEASE CALL 010-800-15253545 OR COLLECT 201-221-4462  
CELL/PAY PHONES USE CODE 0061 OR 0041 OR 0033 OR 001 BEFORE 010  
FOR EMERGENCY TRAVEL ASSISTANCE WHILE IN HONG KONG  
PLEASE CALL 001-800-15253545 OR COLLECT 201-221-4462  
PLEASE VISIT THE WORLD HEALTH ORGANIZATION AT WWW.WHO.INT  
FOR INTERNATIONAL PRE-TRAVEL ADVICE.  
ALWAYS CONSULT YOUR HEALTH CARE PROVIDER FOR CURRENT INFORMATION  
SPECIFIC TO YOUR INTERNATIONAL DESTINATION(S)  
\*\* THANK YOU FOR USING SHORTS TRAVEL.....HAVE A GREAT TRIP-VICKI \*\*

TICKET NUMBER/S:  
MITRA/ATUL [REDACTED] CARD 1733.05

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Invoice from Short's and Camp Adventure Procurement Card Statement

NON REFUNDABLE SERVICE FEE	9526000269	45.00
ELECTRONIC		
AIR TRANSPORTATION	1649.00	
TAX	84.05	TTL 1733.05
BOOKING FEE		45.00
SUB TOTAL		1778.05
CREDIT CARD PAYMENT		1778.05-
AMOUNT DUE		0.00

\*\*\* 24 HOUR EMERGENCY TRAVEL HELPLINE 1-800-373-8679 \*\*\*

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Camp Adventure Procurement Card Statement  
and Invoices from Action Air and Skylink Travel



ACCOUNT NUMBER:			
CREDIT LIMIT	475,000.00	CASH ADVANCE BALANCE	0.00
CURRENT BALANCE	0.00	AMOUNT DUE	0.00
AVAILABLE CREDIT	406,448.49	PAYMENT DUE DATE	10-01-07

STATEMENT DATE: 09/25/07

TRAN DATE	POST DATE	REF #	TRANSACTION DESCRIPTION	AMOUNT	-NOTATION-
✓ 09-20	09-24	34894	AGENT FEE 0277177485729 TVL PLANNERS FL OGDEN/ALLISON.M DEPARTURE: 09-20-07	30.00	
✓ 09-21	09-24	58199	XAA XD Y XAO NWA AIR 0127078403199 NEW YORK NY DEPARTURE: 09-22-07	1,049.10	
✓ 09-21	09-24	04597	HATMAKER/LACEY TYS NW T DTW NW T AMS NW T BRU NW L AMS DEPARTURE: 09-20-07	933.56	
✓ 09-21	09-24	72809	NWA AIR 0127030274079 NEW YORK NY RUGE/BROOKE DEPARTURE: 09-30-07	508.80	
✓ 09-21	09-24	51089	CID NW V DTW NW V DUS NW L DTW NW L CID NWA AIR 0127177485740 WATLAND FL DEPARTURE: 10-05-07	30.00	
✓ 09-21	09-24	99773	BUTTS/COURTLAND MSP NW V ALO NW V MSP DEPARTURE: 09-21-07	50.00	
✓ 09-07	09-24	13423	AGENT FEE 0127177485740 TVL PLANNERS FL BUTTS/COURTLAND DEPARTURE: 09-21-07	64.90	
✓ 09-07	09-24	13431	XAA XD Y XAO AGENT FEE 8908157174820 SKYLINK TRAVE NY DEPARTURE: 09-21-07	64.90	
✓ 09-20	09-25	48220	MCNEELEY/MONICA XAA XD Y XAO DEPARTURE: 09-21-07	1,157.75	
✓ 09-20	09-25	48238	SNBRSSLSAIR 0827074944204 ZAVENTEM GLANZ/ANGELA DEPARTURE: 10-25-07	1,157.75	
✓ 09-21	09-25	30851	FRA SN BRU SNBRSSLSAIR 0827074944203 ZAVENTEM DEPARTURE: 10-25-07	1,705.30	
			ENGBRETSON/DIANEL DEPARTURE: 09-22-07		
			FRA SN BRU LUFTHANSA 2207078220758 NEW YORK NY NY DEPARTURE: 09-30-07		
			MILLER/TIMOTHY CID UA Y ORD LH Y MUC LH Y LIS UA Y MUC DEPARTURE: 09-30-07		
			LUFTHANSA 2207078220758 NEW YORK NY NY DEPARTURE: 09-30-07		
			HOFF/FOREST CID UA Y ORD LH Y MUC LH Y LIS UA Y MUC DEPARTURE: 09-30-07		
			SWISS UNITED 247078403033 ZUERICH AIRPO NY DEPARTURE: 09-22-07		
			MCNEELEY/MONICA MS DEPARTURE: 09-22-07		
			LAX LX M ZRH LX M BRU LX L ZRH LX L LAX		

09-22-07



Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Camp Adventure Procurement Card Statement  
and Invoices from Action Air and Skylink Travel



AIR PASSENGER SERVICES, INC.  
33670 ANNAPOLIS ROAD  
ANNAPOLIS, CALIFORNIA 95412

(707) 886-1901

(707) 886-1902

ITINERARY (1-800) 527-3852  
PAGE NO. FAX (707) 886-1833

OK

CAMP ADVENTURE  
UNI  
ATTN DIANE ENGBRETSON  
INVOICE NO. TER 7936

1. MILLER/TIMOTHY.MR


2. HOFF/FOREST.MR

WE HAVE PROCESSED ELECTRONIC TICKETS FOR THIS TRIP.  
YOUR UNITED AIRLINE RECORD LOCATOR NUMBER IS: QSQCPS.  
YOUR LUFTHANSA AIRLINE RECORD LOCATOR NUMBER IS: ZPQXAW-20SEP07  
YOUR AIR PORTUGAL AIRLINE RECORD LOCATOR NUMBER IS: CF8WL2.










A SU 30SEP	LV CEDRRAP/IOWACTY	600A	UNITED	6036V	OK	
	AR CHICAGO-OHARE	658A				OSTOP CRJ
	OPERATED BY /UNITED EXPRESS/SKYWEST					
A SU 30SEP	LV CHICAGO-OHARE	210P	LUFTHANSA	435V	OK	
	AR MUNICH	555A				OSTOP 340
A MO 01OCT	LV MUNICH	635A	LUFTHANSA	2212V	OK	BEVERAGE
	AR LISBON	840A				OSTOP 32S
	OPERATED BY TAP AIR PORTUG - TP553					
A MO 01OCT	LV LISBON	700P	AIR PORTUGAL	1827B	OK	
	AR TERCEIRA	825P				OSTOP 319
A SA 15DEC	LV TERCEIRA	1035A	AIR PORTUGAL	1822B	OK	LUNCH
	AR LISBON	150P				OSTOP 313
A SU 16DEC	LV LISBON	630A	UNITED	8957Q	OK	BREAKFAST
	AR MUNICH	1035A				OSTOP 319
	OPERATED BY DLH LUFTHANSA - LH4545					
A SU 16DEC	LV MUNICH	1210P	UNITED	907Q	OK	LUNCH
	AR CHICAGO-OHARE	325P				OSTOP 763
A SU 16DEC	LV CHICAGO-OHARE	445P	UNITED	5815Q	OK	
	AR CEDRRAP/IOWACTY	549P				OSTOP CR7
	OPERATED BY /UNITED EXPRESS/SKYWEST					
			AIR FARE			3308.08
			TAX			0.00
			TOTAL AIR FARE			3308.08
			AMOUNT CHARGED			3308.08

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Camp Adventure Procurement Card Statement  
and Invoices from Action Air and Skylink Travel



**SkyLink**  
The Airline Ticket Center

**SKYLINK TRAVEL INC**

980 Avenue of the Americas, Suite 401

NEW YORK NY 10018  
Phone: 212-573-8980  
IATA #: 33743780

Trans	745476	Date	09/20/2007
Branch	0	Invoice-#	0628411
FST		Page	1
Offset:		Reg-#	

**INVOICE**

**Bill To:** 21164 7078861901

**ACTION AIR TRAVEL**  
33670 ANNAPOLIS ROAD  
  
ANNAPOLIS CA 95412

**Sold To:** 21164

**ACTION AIR TRAVEL**  
33670 ANNAPOLIS ROAD  
  
ANNAPOLIS CA 95412

File	Sales Type	Inside Sales Rep	Outside Sales Rep	Contact	Head Count
DFIOZP	00 Regular Sales	**None**	**None**	TA/9Q40	2

**Itinerary**

MILLER/TIMOTHY Ticket-# 7078220756			
HOFF/FOREST Ticket-# 7078220758			
30SEP Airline UA Flt	6036 CEDR RPDS IOWA CY	0600A/CHICAGO OHARE	0658A
30SEP Airline LH Flt	435 CHICAGO OHARE	0210P/MUNICH	0555A
01OCT Airline LH Flt	2212 MUNICH	0635A/LISBON	0840A
16DEC Airline UA Flt	8957 LISBON	0630A/MUNICH	1035A
16DEC Airline UA Flt	907 MUNICH	1210P/CHICAGO OHARE	0325P
16DEC Airline UA Flt	5815 CHICAGO OHARE	0445P/CEDR RPDS IOWA CY	0549P
MILLER/TIMOTHY Ticket-# 7078220756			
HOFF/FOREST Ticket-# 7078220758			

**Sales Details:**

Item	Ticket #	Passenger Name	Fare	Taxes	GST/IST	Comm	Charge	Curr	Owing
1	7078220756	MILLER/TIMOTHY	707.00	311.50	0.00	0.00	1,157.75	USD	(139.25)
2	7078220757	MILLER/TIMOTHY	0.00	0.00	0.00	0.00	0.00	USD	0.00
3	7078220758	HOFF/FOREST	707.00	311.50	0.00	0.00	1,157.75	USD	(139.25)
4	7078220759	HOFF/FOREST	0.00	0.00	0.00	0.00	0.00	USD	0.00
<b>Sales Totals:</b>			<b>1,414.00</b>	<b>623.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,315.50</b>		<b>(278.50)</b>

CreditCardNumber	CreditCardName	Expiry	Curr	ExchangeRate	ChargeAmount	Equivalent
		0410	USD	1.00	\$1,157.75	\$1,157.75
		0410	USD	1.00	\$1,157.75	\$1,157.75
<b>Total Credit Card Payments to Suppliers:</b>						<b>2,315.50</b>

**Terms:**

Please inspect your tickets immediately. SkyLink will not be responsible for errors if detected after 24 hours of delivery.  
Check-in for the international flights at least 3 hours before departure.  
Check-in for domestic flights at least 2 hours before departure.  
All tickets are restricted and carry a cancellation penalty.  
A \$25.00 service charge applies once tickets are returned.  
Other restrictions and liability limitations apply. A complete description is available on our web site [www.skylinkus.com](http://www.skylinkus.com)  
Please re-confirm your flights 72 hours before departure.

**Subsequent Payments and Adjustments -Posted**

Date	Source	Trans	Item	IdCurrency	Amount	ExchangeRate	Equivalent
9/20/2007	SJ	745476	0	0	(\$278.50)	1.00	(278.50)
11/20/2007	CDJ	746196	1	0	\$278.50	1.00	278.50
<b>Balance Owning:</b>							<b>\$0.00</b>

**Thank-you for Choosing**  
**SKYLINK TRAVEL INC**

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Camp Adventure Procurement Card Statement and  
Invoices from Action Air and Travel Planners International



ACCOUNT NUMBER			
CREDIT LIMIT	475,000.00	CASH ADVANCE BALANCE	0.00
CURRENT BALANCE	0.00	AMOUNT DUE	0.00
AVAILABLE CREDIT	406,448.49	PAYMENT DUE DATE	10-01-07

STATEMENT DATE: 09/25/07

TRAN DATE	POST DATE	REF #	TRANSACTION DESCRIPTION	AMOUNT	-NOTATION-
✓ 09-14	09-17	67862	NWA AIR 0127076687259 NEW YORK NY BRUNSVIK/JESSIC DEPARTURE: 09-23-07	983.20	
✓ 09-14	09-17	67890	SFO NW L DTW NW L FRA NW T DTW NW T MSP NWA AIR 0127076687264 NEW YORK NY	983.20	
✓ 09-14	09-17	67906	BRUNSVIK/AURIEL DEPARTURE: 09-23-07 SFO NW L DTW NW L FRA NW T DTW NW T MSP NWA AIR 0127076687266 NEW YORK NY	983.20	
✓ 09-14	09-17	68997	BRUNSVIK/JESSIC DEPARTURE: 09-23-07 SFO NW L DTW NW L FRA NW T DTW NW T MSP NWA AIR 0127076687281 NEW YORK NY	679.20	
✓ 09-14	09-17	69771	EKBLAD/LINDSEY DEPARTURE: 09-30-07 CID NW V DTW NW V FRA NW T DTW NW T CID NWA AIR 0127076687282 NEW YORK NY	1,134.20	
✓ 09-14	09-17	70092	GAGE/MEGAN DEPARTURE: 10-06-07 SAN NW T MSP NW T AMS NW T VCE NW L AMS NWA AIR 0127076687293 NEW YORK NY	934.20	
✓ 09-14	09-17	70191	GREENE/KARA DEPARTURE: 09-30-07 SAN NW V DTW NW V FRA NW T DTW NW T MSP NWA AIR 0127076687295 NEW YORK NY	1,284.20	
✓ 09-14	09-17	70209	HERNANDEZ/ALEJA DEPARTURE: 10-06-07 LAX NW T DTW NW T AMS NW T VCE NW L AMS NWA AIR 0127076687308 NEW YORK NY	1,284.20	
✓ 09-14	09-17	71256	HERNANDEZ/ALEJA DEPARTURE: 10-06-07 LAX NW T DTW NW T AMS NW T VCE NW L AMS NWA AIR 0127076687332 NEW YORK NY	1,145.20	
✓ 09-14	09-17	71439	SACHER/ALLISON DEPARTURE: 09-30-07 IAD NW T AMS NW T VCE NW L AMS NW L DTW NWA AIR 0127076687318 NEW YORK NY	1,304.20	
✓ 09-14	09-17	24444	TOMLINSON/MEGAN DEPARTURE: 10-06-07 SEA NW T MSP NW T AMS NW T VCE NW L AMS HAWAIIAN AI 1737177485620 MAITLAND FL	464.71	
✓ 09-14	09-17	24451	HODGES/KRYSTINA DEPARTURE: 09-29-07 SAN HA K CGG HA K HNL HA M SAN HAWAIIAN AI 1737177485621 MAITLAND FL	464.71	
✓ 09-14	09-17	24493	ZABELLA/JAZELLE DEPARTURE: 09-29-07 SAN HA K CGG HA K HNL HA M SAN HAWAIIAN AI 1737177485623 MAITLAND FL	434.37	
✓ 09-14	09-17	02289	CATHCART/KAITLI DEPARTURE: 09-29-07 PDX HA N HNL HA N PDX AGENT FEE 0377177485615 TVL PLANNERS FL	30.00	
✓ 09-14	09-17	03972	ARNE/STEPHANIE DEPARTURE: 09-14-07 XAA XD Y XAO AGENT FEE 1737177485623 TVL PLANNERS FL	25.00	
✓ 09-14	09-17	88888	CATHCART/KAITLI DEPARTURE: 09-14-07 XAA XD Y XAO AGENT FEE 8908156858460 SKYLINK TRAVE NY	100.00	
✓ 09-14	09-17	38778	BAKER/MELISSA DEPARTURE: 09-14-07 XAA XD Y XAO AGENT FEE 0127177485609 TVL PLANNERS FL	60.00	
✓ 09-14	09-17	42143	SWETSKA/TERRI DEPARTURE: 09-14-07 XAA XD Y XAO AGENT FEE 0127177485616 TVL PLANNERS FL	120.00	
✓ 09-14	09-17	59319	DARBY/DYESHA MS DEPARTURE: 09-14-07 XAA XD Y XAO AGENT FEE 0167177485607 TVL PLANNERS FL	30.00	
			PRIM/BRADY MR DEPARTURE: 09-14-07 XAA XD Y XAO		

OK

PAGE 5 OF 7

Report on Special Investigation of the  
University of Northern Iowa  
Camp Adventure Program

Copies of Camp Adventure Procurement Card Statement and  
Invoices from Action Air and Travel Planners International



AIR PASSENGER SERVICES, INC.  
33670 ANNAPOLIS ROAD  
ANNAPOLIS, CALIFORNIA 95412

(707) 886-1901  
(707) 886-1902  
(1-800) 527-3852  
FAX (707) 886-1833

ITINERARY INVOICE  
PAGE NO. 1

*OK*

CAMP ADVENTURE  
UNI  
ATTN DIANE ENGBRETSON  
INVOICE NO. HNL 7922  
CH DIANE ENGBRETSON

CATHCART/KAITLIN.MS  
WE HAVE PROCESSED AN ELECTRONIC TICKET FOR THIS TRIP.  
YOUR HAWAIIAN AIRLINE RECORD LOCATOR NUMBER IS: DMLCAR.

13SEP07

A SA 29SEP LV PORTLAND ORE	855A	HAWAIIAN	25N OK LUNCH
AR HONOLULU	1135A		OSTOP 763
A SU 07OCT LV HONOLULU	110P	HAWAIIAN	26N OK DINNER
AR PORTLAND ORE	930P		OSTOP 763
		AIR FARE	459.37
		TAX	0.00
		TOTAL AIR FARE	459.37
		AMOUNT CHARGED	459.37

THIS AMOUNT WILL BE CHARGED TO CREDIT CARD: VI XXXX XXXX XXXX 6396

THANK YOU FOR YOUR BUSINESS

Report on Special Investigation of the  
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Copies of Camp Adventure Procurement Card Statement and  
Invoices from Action Air and Travel Planners International

Travel Planners International, Inc.  
2500 Maitland Center Parkway, Suite 230  
Maitland, FL 32751-4174  
407-331-3888 / 1-800-631-3636  
Fax 407-834-3602 / www.tpionline.com

Johnnie McDuffie

Sale Invoice No: 504980  
Date Issued: 9/14/2007  
Agent: Action Air Services Inc.

Passenger Type	Department Ticket/Conf No	Depart Date Airline/Vendor	Return Date	Remarks Itin	Total Fare
From	To	Flight	A/L Depart	Arrive	
Cathcart/Kaitlin.Ms		9/29/2007	10/7/2007		
Dom. Air	7177485623	Hawaiian Airlines		PDX/HNL/PDX	434.37
PDX Portland	HNL Honolulu	25	HA 9/29/2007 8:55:00 AM	9/29/2007 11:35:00 AM	
HNL Honolulu	PDX Portland	26	HA 10/7/2007 1:10:00 PM	10/7/2007 9:30:00 PM	
Cathcart/Kaitlin.Ms		9/14/2007			
Service Fees	8101294017	TPI Service Fee			25.00
Payments Applied To This Invoice					
VI Ending In 6396	CreditCard	9/14/2007	Pymt For Inv #504980	-434.37	
VI Ending In 6396	CreditCard	9/14/2007	Pymt For Inv #504980	-25.00	
				-459.37	

Invoice Total: 459.37  
Payment Total: -459.37  
Balance Due: 0.00

Report on Special Investigation of the  
University of Northern Iowa  
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Copies of E-mail Messages Regarding Payments to Action Air

**From:** [REDACTED]@aol.com>  
**To:** <BillieJo.Heth@auditor.state.ia.us>  
**Date:** 4/28/2009 3:50 PM  
**Subject:** QUESTIONS

---

BILLIE JO, GOT YOUR REQUEST.

1. WE HAVE BEEN IN BUSINESS FOR 27 YEARS, THOUSANDS OF CUSTOMERS DURING THAT TIME.
2. THE CONTRACT FOR 2000 I BELIEVE MAYBE DESTROYED. I HAVE LOOKED FOR IT LAST YEAR AND WILL LOOK AGAIN. SO FAR ALL I FIND IS THE EXTENSIONS.
3. GETTING PAID BY UNI FOR SERVICES BEING PREFORMED NOW. CHECK PAYMENTS.
4. IF YOU WANT A SMALL LIST OF OUR CUSTOMERS LET ME KNOW.

JOHN

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**From:** BillieJo Heth  
**To:** [REDACTED]@aol.com  
**Date:** 4/28/2009 4:45 PM  
**Subject:** Re: QUESTIONS

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Johnnie,

When was the last time you received a check from UNI and for what amount?

Thanks again,

Billie

Report on Special Investigation of the  
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Copies of E-mail Messages Regarding Payments to Action Air

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**From:** [REDACTED]@aol.com>  
**To:** <BillieJo.Heth@auditor.state.ia.us>  
**Date:** 4/28/2009 4:56 PM  
**Subject:** Re: QUESTIONS

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BillieJo,  
1/2/09 in the amount of \$395.00 for Services.

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**From:** Susan Edginton <Susan.Edginton@uni.edu>  
**To:** BillieJo Heth <BillieJo.Heth@auditor.state.ia.us>  
**Date:** 5/1/2009 5:08 PM  
**Subject:** Action Air  
**CC:** Kelly Flege <kelly.flege@uni.edu>, Bill Callahan <bill.callahan@uni.edu>

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Hello Billie Jo,

How are you. Regarding your inquiry about Action Air, there has been a misunderstanding. Action Air has not received any payments from the University of Northern Iowa or Camp Adventure as discussed below.

In a meeting of University administrators last fall, Kelly Flege asked the question "Why doesn't Camp Adventure contract with John McDuffy as a consultant," in order to use his expertise since we are not able to use him as a travel agent. At the meeting were Vice President Schelhardt, Provost Lubker, Dean Callahan, Gary Shontz, Ed Ebert, Chris and myself. I developed a contract for Action Air; however, in a later conversation with Kelly Flege she said she preferred to wait on any interaction with Action Air until you finished your audit, so I put it on hold.

A month later a staff member who had helped with the contract, Jason Lau, thought it was still an item to be completed and unknown to me sent it to John for signature, and subsequently asked John for travel price information on which to base our contract budgets for 2008-2009. When I became aware of it, I paid John for the those hours of his time personally. John likely thought it was a UNI check, because I bank at the UNI Credit Union and use cashier's checks for some bills for tax purposes. Camp Adventure did not ask John for any additional work, and never made payments to him.

Susan

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Copies of E-mail Messages from Susan Edginton

**From:** Susan Edginton <Susan.Edginton@uni.edu>  
**To:** BillieJo Heth <BillieJo.Heth@auditor.state.ia.us>  
**Date:** 1/12/2009 4:35 PM  
**Subject:** FINAL 1.13.09 Camp Adventure Audit Perspectives  
**Attachments:** Final Camp Adventure Audit Perspectives[1].[1]; Attachment B Travel Database[1].pdf; Action Air Final Document[2].doc; Attachment A Elan Reconciliation[1].pdf

BillieJo,

I have compiled in one email all of the information regarding the travel matter. There are four attachments, including Jason's database information showing the remedial action taken to ensure the integrity of the travel process. I put all of his files into one attachment. The four attachments give our perspectives on 2007 and 2008 travel.

You can disregard any prior information. I had intended to give this information to you in a more organized way by regular mail. However, with the holidays and sending 100 interns out in January as well as other matters, it is somewhat piecemeal.

Thank you for your patience, please let me know if you have any questions. And thank you for reviewing it.

Susan



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Copies of E-mail Messages from Susan Edginton

Action air

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**Injustice Done to Minority Vendor: Action Air**

We believe there has been a great injustice done, in the process of review of Diane Engbretson's travel, to Action Air Travel. A minority vendor, Action Air was suspended as a vendor and his clients across the UNI campus were so informed and told that his agency could not be used, casting a shadow of doubt on his integrity. We assume that this occurred because there was uncertainty related to tickets purchased by Diane Engbretson from Action Air. However, it has been determined that all but a few of the tickets Diane purchased were done on line and were not from Action Air. The few that were purchased from him were from airport hubs that are used to travel in and out of our training sites. We request that Action Air be exonerated and that it be made clear that there are no barriers to his being allowed to bid on and/or assist with travel in the future, as one of several vendors.

**Unique Capability**

Action Air has unique capability, having worked with the military in Europe for many years engaged in assisting with troop movements and NATO personnel. We have lost money because of our inability to use this vendor. As well, my staff must manage travel in the middle of the night on a regular instead of turning these issues over to Action Air as we have done in the past. For example, if we get a call at night that we need to get a student on a plane in 24 hours for a funeral of an immediate family member, we have been able to hand it over to Action Air, and by morning all arrangements have been made with our supervisors in the field and the student is on their way. Other vendors attempt to assist and are sometimes successful but inconsistently so.

Action Air has the ability to manage travel internationally when we have problems. Following are a few examples of the types of issues we have with our emergency travel:

- We had a student who was to fly to Korea for a winter break program in December; however she became delayed in Toronto. A Camp Adventure staff person, who is 6 month pregnant, was up two nights trying to solve the problem. The student in Toronto was a 19-year-old, there by herself, her parents were worried. She was delayed in Toronto for 2 days and nights by herself. Finally we had no choice but to send her back home, we did not have the skills to solve the problem, nor did the agents we counseled with. It is this type of problem that Action Air has always been able to solve for us by working with agents, other air carriers and international consolidators.
- We have also had a situation recently where we had to send Dr. Heinecke to Italy for an emergency, and when we tried to get him a ticket we were quoted a price of \$10,000. Although we called around and got the amount down to \$2,000, it wasted time, again, late at night. Action Air's tickets do not change in price, whereas some consolidators' tickets go up with short notice.

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Action air

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There is no vendor who will stay up night after night and handle difficult problems cost-effectively. And my staff will not do it indefinitely either. As well our concern is that a student will be in jeopardy if s/he is delayed in a foreign country and we are not able to get them out quickly. It will be most helpful if Action Air can be cleared of any wrongdoing, and any shadow of doubt regarding its viability as a vendor to the University.

**Mitigating Circumstances**

It should be noted that Action Air was subject to the same pressures as Camp Adventure regarding a lengthy and aborted bid process, late transition to the credit cards without instruction, not informed that he would not be able to use his company's invoices, as well as other factors. Just as Camp Adventure did not have sufficient lead time to plan and execute as effectively as in past years, with less than 8 weeks to book and purchase the majority of our travel for 3000 flight connections to 20 countries, Action Air was on the other end of that. At the time we typically plan our travel with vendors, we were engaged in a lengthy 3-month bid process, instead of the 3-week process we were accustomed to.

Regarding the process of invoicing, we had to start purchasing our travel using RFPs because the credit cards were so late in arriving, and then had to move to the credit cards, creating confusion. When some payments were not made in a timely way, Action Air sent a second set of invoices, which also caused confusion. As well, the credit cards maxed out, and could not be re-charged up immediately, so Action Air's consolidator put as many entries as he could on the credit card. However, Action Air thought that the consolidator was not able to charge any tickets for that group, and so billed for the same group of entries. Again, we are talking about a transition year to the new credit card system with problems and errors from all parties including Camp Adventure and OBO as well as vendors. Neither Camp Adventure, or OBO or the vendors could anticipate some of the issues that arose. And, Action Air had a history of eight years where it had performed satisfactorily within a viable system using Requests for Payment for purchasing.

As well, our process for past years was to maintain an Excel shadow system for travel, and to call vendors in mid to late fall to go over all of the tickets together to check for errors. In the fall of 2007, we were packing up to move and so this routine process was delayed. I believe that Action Air had some duplicate payments for 1% of travel. Several of them related to the issue of the maxed out credit card. We request that you consider the mitigating circumstances that occurred during the 2007 when evaluating this factor. Other travel vendors have similar issues over the years.

**Consolidator Statements**

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Action air

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In the course of the audit regarding Diane Engbretson, we were told by the Office of Business Operations that Action Air did not meet industry standards and that as an agent he should have known that he needed to produce consolidator statements. This past year, for summer 2008, we had a new set of vendors and they had problems identical to those of Action Air even though they were oriented in advance of the requirements and did their best to comply. For example, Humble Travel, an agency that has provided high quality service and good prices, had great difficulty getting consolidator statements, and was not able to get them from one vendor. In addition, items broke out on the Élan statements in a way that required an errata sheet to be attached to each statement linking names and other information to tickets and fees (See attachment A). We request that you consider this information when evaluating Action Air's performance as a vendor in 2007.

#### **Conflict of Interest**

The Office of Business Operations receives a rebate on Elan travel, and it should be noted that Action Air did not use the credit cards for the eight years they did business with us. They maintained that they saved us money by carrying the costs themselves because there was just one credit card transaction and that credit card charge was absorbed by the airline. Therefore there was a conflict of interest when evaluating and selecting vendors, one that used the credit card and one that did not. And intended or not, this bias had the potential for influencing design of bid specifications in 2007, evaluation of bids, and mandating use of the credit card by Action air when there was insufficient time to make the transition properly, as well as the 2008 decision to remove Action Air as a vendor and move its Europe travel to Shorts Travel and Travel and Transport (made prior to the State Auditor's decision). This issue was addressed to the Vice-President and Provost of Academic Affairs and in our meeting with all parties; it was evident that potential for conflict of interest was a concern. This is an important consideration when reviewing this matter, in terms of what we hope will be a written statement clearing Action Air from any cloud of wrongdoing.

#### **Summary**

Action Air has given us good and cost effective service. You should have found him to be an honest individual and a helpful one, in your dealings with him. In fairness, we ask that you remove the cloud over the Action Air agency, now that you have completed your review. He not only has given good service to Camp Adventure and the University, but he has unique capability that we need to access in order to continue to operate in an effective manner. Particularly useful is his willingness to work 24 hours a day to help us solve problems and issues and his unique capability developed over many years working with the military and international travel. It will be helpful if there is a written statement from the State Auditor's Office that while it acknowledges the 2007 issues, it also acknowledges as well the eight years of excellent service previously provided and the mitigating circumstances that

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Action air

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existed with the transition to the credit card in 2007, and that removes any suggestion of wrongdoing and any barriers to once again providing assistance as needed. John Mc Duffy's business has been damaged, as well as his personal life due the reduction of anticipated income for Europe travel for 2007, for which he had a signed agreement with the University. It is important to conduct a thorough review and we understand that, but now that you are completing your review it is also important to be fair with this good man.