

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR  
BETH A. WOOD, CPA



## WAYNE COMMUNITY COLLEGE

GOLDSBORO, NORTH CAROLINA

INVESTIGATIVE REPORT  
DECEMBER 2016



**NC**  **OSA**  
The Taxpayers' Watchdog

# EXECUTIVE SUMMARY

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## **PURPOSE**

The Office of the State Auditor received a complaint through its Hotline concerning a full-time employee of Wayne Community College who allegedly received financial aid and academic credit without attending classes.

## **BACKGROUND**

Wayne Community College (College) is a public, associate degree granting institution in Goldsboro and part of the North Carolina Community College System. Student enrollment at the College for 2015-2016 was 11,263.<sup>1</sup>

## **FINDING**

- Instructor allowed college employee to improperly benefit from financial aid and receive academic credit without attending classes

## **KEY RECOMMENDATIONS\***

- Wayne Community College should repay the United States Department of Education \$5,775
- Wayne Community College should repay the North Carolina Community College System \$3,770
- Wayne Community College should consider disciplinary action against the instructor and college employee

*\*Key recommendations are not inclusive of all recommendations in the report.*

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<sup>1</sup> Statistical Reports, Volume 51: *Annual Curriculum Student Enrollment by College*. Raleigh: North Carolina Community College System, 2016. Accessed November 15, 2016.  
[http://www.ncccommunitycolleges.edu/sites/default/files/data-warehouse/statistical-reports/cursts1\\_fall\\_2015.pdf](http://www.ncccommunitycolleges.edu/sites/default/files/data-warehouse/statistical-reports/cursts1_fall_2015.pdf)

STATE OF NORTH CAROLINA  
**Office of the State Auditor**



**Beth A. Wood, CPA**  
State Auditor

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## AUDITOR'S TRANSMITTAL

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The Honorable Pat McCrory, Governor  
Members of the North Carolina General Assembly  
Dr. James C. Williamson, President, North Carolina Community College System  
Dr. Thomas A. Walker, Jr., President, Wayne Community College  
Mrs. Veda McNair, Chair, Wayne Community College Board of Trustees

Ladies and Gentlemen:

Pursuant to *North Carolina General Statute §147-64.6(c)(16)*, we have completed an investigation of allegations concerning Wayne Community College. The results of our investigation, along with recommendations for corrective action, are contained in this report.

Copies of this report have been provided to the Governor, the Attorney General and other appropriate officials in accordance with *G.S. §147-64.6(c)(12)*. We appreciate the cooperation received from the management and employees of Wayne Community College during our investigation.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Beth A. Wood'.

Beth A. Wood, CPA  
State Auditor



**Beth A. Wood, CPA  
State Auditor**

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Article 5A, Chapter 147 of the North Carolina General Statutes, gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.



# BACKGROUND

The Office of the State Auditor received a complaint through its Hotline alleging a full-time employee of Wayne Community College (College) received financial aid and academic credit without attending classes. The College employee was enrolled in the Turfgrass Management Technology program, which provides students with skills to manage and maintain golf courses, sports fields, lawn care, irrigation design, and sod production.

Our investigation of this complaint included the following procedures:

- Review of applicable state and College policies and procedures, personnel records, and North Carolina General Statutes
- Interviews with employees of Wayne Community College and the North Carolina Community College System
- Examination and analysis of available documents and records

This report presents the results of the investigation. The investigation was conducted pursuant to *North Carolina General Statute § 147-64.6 (c) (16)*.



# FINDING AND RECOMMENDATIONS

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**INSTRUCTOR ALLOWED COLLEGE EMPLOYEE TO IMPROPERLY BENEFIT FROM FINANCIAL AID AND RECEIVE ACADEMIC CREDIT WITHOUT ATTENDING CLASSES**


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Over a 12-month period, Wayne Community College (College) awarded an employee 28 course credit hours without evidence of class attendance. The College employee improperly received \$3,907 in the form of a student financial aid refund and other benefits. In addition, the College improperly received \$3,770 in direct state funding, and \$2,256 indirectly through the College employee's financial aid award.

From August 2015 through July 2016, a Turfgrass Management instructor (Instructor) awarded the College employee credit for nine courses without attending classes. There is no evidence the College employee took any quizzes, exams, or tests or participated in any projects. The College employee was not listed on the course grade sheets along with other students. In addition, the College employee did not purchase textbooks for four of the five classes that required textbooks.

The Instructor's failure to properly enforce the attendance policy resulted in \$6,163 of improper financial aid benefits, including \$2,256 for tuition and fees; an ASUS 15.6" laptop and supplies totaling \$591; and a \$3,316 cash refund. The College employee also received unearned academic credit. In addition, the College improperly received FTE<sup>2</sup> funding from the North Carolina Community College System totaling \$3,770.

In response to inquiries about awarding course credit without attending classes, the Instructor said, "This arrangement was a result of trying to help someone better themselves." The Instructor operated a lawn care business and the College employee worked for him. He added they worked side by side on Saturdays spraying pesticides.

The College employee said they are good friends and the Instructor has helped him learn general maintenance. He said they apply chemicals together through the Instructor's outside business. He estimated that he worked for the Instructor 10 hours per month on Friday afternoons and Saturdays. The College employee added, "I guess the rules got bent a little bit and maybe being a college employee helped."

Wayne Community College Policy Number 05-0303 addresses student attendance and instructor responsibilities. According to the policy, students must attend 80% of the total class hours to receive a passing grade. In addition, instructors are required to maintain accurate attendance records.

The Student Attendance Reporting for Financial Aid Purposes policy 05-0406, provides explicit guidance for instructors. The policy provides, "If a student entered but has stopped coming to class, write the Last Date of Attendance beside the student's name. Once the student has not attended for a period of two weeks, this student must be removed from the roster using the Colleague system."

**RECOMMENDATIONS**

- Wayne Community College should ensure that all instructors follow the College's policies and procedures regarding student attendance and student attendance for financial aid purposes

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<sup>2</sup> Full-Time Equivalent (FTE)

- Wayne Community College should repay the United States Department of Education \$5,775
- Wayne Community College should repay the North Carolina Community College System \$3,770
- Wayne Community College should repay the Wayne Community College Foundation \$388
- Wayne Community College should consider disciplinary action against the Instructor and College employee
- Wayne Community College should consult with legal counsel to determine the amount of funding recoverable from the College employee

**Note: This finding will be referred to the United States Department of Education Office of Inspector General as it involves potential academic and financial aid fraud.**



# RESPONSE FROM WAYNE COMMUNITY COLLEGE



P.O. Box 8002 • Goldsboro, NC 27533-8002  
 Tel: 919-735-5151 • Fax: 919-736-9425

[www.waynecc.edu](http://www.waynecc.edu)

December 14, 2016

Ms. Beth A. Wood, CPA  
 State Auditor  
 Office of the State Auditor  
 2 S. Salisbury Street  
 20601 Mail Service Center  
 Raleigh, NC 27699-0601

RE: Wayne Community College Investigative Report

Honorable Ms. Wood,

We appreciate the opportunity to respond to your investigation report, dated November 30, 2016, concerning allegations made through the State Auditor's Hotline. These allegations are taken very seriously as they concern potentially improper benefits being conferred that directly relate to the core of our academic mission.

Wayne Community College conducted an internal investigation into this matter. Over a twelve-month period, a student was inappropriately awarded course credit hours. Wayne Community College acknowledges the investigator's findings and accepts your office's recommendations as follows:

- Wayne Community College should ensure that all instructors follow the college's policies and procedures regarding student attendance.
  - o Beginning in the spring of 2017 all instructors will be trained/re-trained on the college requirements of 80% attendance and accurate record-keeping at the beginning of each semester.
- Wayne Community College should repay the United States Department of Education.
  - o The college will immediately contact the Department of Education and request instructions to return \$5,775.
- Wayne Community College should repay the North Carolina Community College System.
  - o The college will immediately contact the NCCCS system office and request instructions to return \$3,770.
- Wayne Community College should repay the Wayne Community College Foundation.
  - o The Executive Director and Board Chair will be notified immediately and asked for instructions on how to return \$388.
- Wayne Community College should consider disciplinary action against the employee(s).
  - o The college has considered, and taken, disciplinary action in accordance with its procedures manual.



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[www.waynecc.edu](http://www.waynecc.edu)

- Wayne Community College should consult with legal counsel to determine the amount of funding recoverable from the employee(s).
  - o The Attorney for Wayne Community College has been involved during this investigation and is currently considering all possible avenues of recourse against the employee(s).

These inappropriate deviations from college procedure are taken very seriously and the college appreciates the Office of the State Auditor's cooperative efforts to address this matter.

Thank you for your consideration in this matter,

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas A. Walker, Jr.', written in a cursive style.

Thomas A. Walker, Jr., Ed. D.  
President, Wayne Community College

CC: Veda McNair - Chair, Board of Trustees for Wayne Community College  
CC: Bill Hunter - Chair, Board of Directors for the Foundation for Wayne Community College, Inc.

TW/cg

# ORDERING INFORMATION

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## COPIES OF THIS REPORT MAY BE OBTAINED BY CONTACTING:

Office of the State Auditor  
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To report alleged incidents of fraud, waste or abuse in state government contact the  
Office of the State Auditor Fraud Hotline: **1-800-730-8477**  
or download our free app.



<https://play.google.com/store/apps/details?id=net.ncauditor.ncauditor>



<https://itunes.apple.com/us/app/nc-state-auditor-hotline/id567315745>

For additional information contact:  
Bill Holmes  
Director of External Affairs  
**919-807-7513**



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This investigation required 290 hours at an approximate cost of \$29,870.