



Rapid Response Special Report

W-2 Review

Issue Date: 5/8/2025

WHY WE CONDUCTED THIS RAPID RESPONSE SPECIAL REPORT

As part of an internal review of office operations, the North Carolina Office of the State Auditor (OSA) discovered an active employee was living outside of North Carolina and not commuting into work. To determine whether similar situations existed elsewhere in state government, OSA's Rapid Response Division conducted a review of other state agencies in North Carolina.

OBJECTIVES

Determine whether state employees with out-of-state addresses on W-2 forms were working in North Carolina.

WHAT WE FOUND

In partnership with the Office of the State Controller, OSA found 13 state agencies had employees with out-of-state addresses on W-2 forms.

- OSA discovered there were 1,011 individuals with out-of-state addresses on their W-2 forms. Of the 1,011 individuals, 317 were beyond the neighboring states of South Carolina, Tennessee, and Virginia.

OSA asked the 13 agencies confirm back with OSA regarding the status of the information. Multiple agencies reported back that employees had not properly updated the address on their W-2 form since relocating to North Carolina. OSA confirmed with the state agencies the employees were accounted for. Through proactive engagement, OSA assisted other state agencies in properly updating the addresses on employee W-2 forms.

RECOMMENDATION

State agencies should annually remind all employees to update their contact information as well as tax information, and annually verify said contact information and tax information is up-to-date and correct.