

March 31, 2016

Mr. Glenn A. Cunha
Inspector General
John W. McCormack
State Office Building
One Ashburton Place
Room 1311
Boston, MA 02108

Dear Mr. Cunha,

Attached please find the corrective action plan required by The Office of the Inspector General's report regarding certain activities of Massachusetts Bay Community College employees dated January 21, 2016. The corrective action plan reports on corrective actions taken to date and long-term solutions that will be implemented to successfully address the issues raised in the report.

Please do not hesitate to contact me should there be any questions or further information needed.

Sincerely,



Kathleen Kirleis
Vice-President for Finance and Administration

cc: Y. Salomon-Fernandez, Interim President
ADA G. Connor, Norfolk District Attorney's Office

Attachment



Massachusetts Bay Community College

Corrective Action Plan in Response to Inspector General's Report

Dated: March 31, 2016

On January 21, 2016, the Office of the Inspector General issued a report on *Certain Activities of Massachusetts Bay Community College Employees*. While the investigation was being conducted on the activities noted in the report, Massachusetts Bay Community College ("MBCC" or "College") was asked not to take disciplinary steps with the employees implicated in the report during the several years it took to complete the investigation. Due to the findings within the report, Massachusetts Bay Community College ("MBCC" or "College") was required to develop and implement a corrective action plan.

The following corrective action plan details the immediate actions taken by management based on the recommendations of the Office of Inspector General and outlines the long-term solutions that will be implemented to address the findings in the report. The plan is made up of the following four major components:

- 1) Conduct an internal investigation of the actions of College employees, including John Virgilio, Fred Virgilio and Marco Brancato, that resulted in the investigative findings;
- 2) Reorganize the College's organizational structure for equipment procurement and receiving and establish a dedicated staff for procurement and defined responsibilities for equipment inventory and management;
- 3) Implement an inventory management system; and
- 4) Update policies and procedures to ensure adequate internal controls to reduce and eliminate fraud, waste and abuse of MBCC funds, property and resources.

Corrective Actions Taken To Date:

Finding #1: The Virgilio's worked for Private Clients on MBCC's time, using MBCC's Property, Equipment and Employee Labor.

The following corrective actions have been taken:

1. The College conducted an internal investigation and proceeded with disciplinary action against John and Federico Virgilio, which resulted in their separation from the College.
2. The College requested that the Norfolk County DA's Office file criminal charges against the employees on January 21, 2016.

3. The report was provided to the State Ethics Commission on January 21, 2016 to determine whether there were any possible violations of MGL c 268A.
4. Decals displaying the College's insignia have been ordered and were installed on all MBCC vehicles, heavy equipment, machinery and trailers on March 31, 2016.
5. Employees in the Facilities Department attended mandatory state ethics trainings on March 9, 2016 and March 21, 2016 presented by the State Ethics Commission's Chief of Public Education and Communications, David Giannotti. On-line training was also made available on March 29, 2016 for individuals who were not able to attend the live training sessions. In the Facilities Department, all but two second-shift employees have completed the training. Arrangements have been made for these employees to complete the on-line training on or before April 15. Topics included in these training sessions were: Outside employment, use of state property for personal gain and conducting personal business during work hours.
6. A policy will be developed requiring employees to disclose all outside employment on or before April 15, 2016. Disclosure forms will be reviewed by the HR department to ensure that it complies with the state ethics laws and MBCC's policies.
7. Mr. Brancato's management and oversight of the Facilities Department has been evaluated and appropriate corrective action has been taken, which included separation from the College.

Finding #2: Supplies and Materials

The following corrective actions have been taken:

1. An Equipment and Resource Usage Policy has been developed and was distributed to staff on March 29, 2016. A copy of the policy is attached to this plan as Attachment A.
2. A complete review of all invoices for Cavicchio Greenhouses and Schmidt Equipment for 2014 and 2015 was completed. All items purchased from Schmidt Equipment can be used for equipment the College owns and are considered consumable items. Examples of consumable items include: fuel and oil filters; engine oil and hydraulic fluid; nuts, bolts and washers; nozzles and O-rings; and light bulbs. These items were not recorded as inventory under the College's inventory policies and procedures. The College will implement software that will better track consumable items. Most purchases from Cavicchio Greenhouses were for annual plants; all perennials that were not destroyed due to weather or disease can be accounted for.
3. The College has changed its procedures for ordering supplies, receiving supplies and approving payments so that different personnel are now responsible for each activity to ensure adequate segregation of duties.

Finding #3: John Virgilio hired an MBCC Vendor to perform carpentry work at a relative's home.

The following corrective actions have been taken:

1. As noted in the corrective actions for Finding #1, the report was provided to the State Ethics Commission for further review and action on January 21, 2016.
2. The College conducted an internal investigation and proceeded with disciplinary action for the employee, which included separation from the College.
3. Employees were trained by the State Ethics Commission on March 9, 2016 and on March 21, 2016.

4. A policy will be developed requiring employees to disclose all outside employment on or before April 15, 2016. Disclosure forms will be reviewed by the HR Department to ensure that the forms comply with the state ethics laws and MBCC's policies.

Finding #4: John Virgilio improperly disposed of MBCC equipment.

The following corrective actions have been taken:

1. The College requested that the Norfolk County DA's Office file criminal charges against both employees on January 21, 2016.
2. The College conducted an internal investigation and proceeded with disciplinary action for the employee, which included separation from the College.
3. MBCC conducted a full fixed asset inventory for all three campuses.
4. The College participates in the Commonwealth's Surplus Property Program, listing items with the State Surplus Officer using Form OSD25: Declaration of Surplus State Personal Property. This policy was reissued to staff on March 28, 2016 and is attached as Attachment B.

Finding #5: The Virgilio's regularly stored their landscaping equipment on MBCC's property.

The following corrective action has been taken:

1. An Equipment and Resource Usage Policy has been developed and was distributed to staff on March 29, 2016. This policy prohibits the storage of personal equipment or vehicles on MBCC property. A copy of the policy is attached to this plan as Attachment A.

Finding #6: Mr. Brancato failed to properly oversee his employees to ensure they worked when they were paid to work.

The following corrective actions have been taken:

1. MBCC has updated its overtime policy for the Facilities Department. Going forward overtime is only authorized and managed by the Director of Facilities. No other Facilities employees are allowed to schedule overtime. The payroll approval of paid time off and over-time will be administered in accordance with the AFSCME contract that covers the employees in the Facilities Department. All overtime for the facilities department is now entered into HR/CMS Self Service Time and Attendance system electronically without exception replacing the previous manual overtime timesheets, and approved through the same chain of command as all other Facilities work. Additionally, in order to ensure accurate reporting of time and attendance, refresher courses on HR/CMS Self-Service Time and Attendance were provided for all faculty and staff the weeks of January 25th and February 1, 2016. A series of refresher drop-in courses will be offered to the college community beginning the week of March 28, 2016. In addition, training and/or repeated reminders will be provided for supervisors in regards to their responsibility for attendance approval.
2. Mr. Brancato's management and oversight of the Facilities Department has been evaluated and appropriate corrective action has been taken, which included separation from the College.

Finding #7: The hiring and supervision of Frederico Virgilio, John Virgilio's father, created a conflict of interest.

The following corrective actions have been taken:

1. The report was provided to the State Ethics Commission on January 21, 2016 to determine whether there were any possible violations of MGL c 268A. Additionally, Human Resources will continue to monitor situations that may pose a potential violation of the State Ethics regulations. Employees were reeducated on the state ethics regulation on March 9, 2016 and on March 21, 2016.
2. The College conducted an internal investigation and proceeded with disciplinary action for both employees, which included separation from the College.
3. Mr. Brancato's management and oversight of the Facilities Department has been evaluated and appropriate corrective action has been taken, which included separation from the College.

Finding #8: The Facilities department's process for ordering and receiving supplies and materials allows employees to spend significant time off Campus with virtually no accountability or supervision.

The following corrective action has been taken:

1. The College has changed its procedures for performing off-campus tasks, such as picking up supplies and materials. Pickups have been stopped with the exception of emergency purchases and vendors are now required to ship supplies and materials directly to campus.

Finding #9: Additional Recommendations

The following corrective actions have been taken:

1. Mr. Giannotti of the State Ethics Commission conducted training at the MassBay campus on March 9, 2016 for all faculty and staff, including the Facilities Department staff. Approximately eighty (80) faculty and staff attended. A second training was offered on March 21, 2016, approximately fifty-five (55) faculty and staff attended. Anyone who was unable to attend the in-person trainings will take the online training provided through the State Ethics Commission. Procurement training for all Facilities staff will be held on April 4, 2016.
2. Management thoroughly considered attaching GPS devices to vehicles to track usage, but due to the small fleet size and varied and limited vehicle use, management instead decided to adopt a log system to plan, record and audit the use of its vehicles. A vehicle use trip log has been put into place for each fleet vehicle, the log records mileage, description of trip, business purpose, and passengers and is under the control and review of the Director of Facilities.
3. The College has updated its policy concerning the use of College vehicles and equipment, which now states: "Use of vehicle for personal gain in any form is strictly prohibited" and further, all use of College vehicles and heavy equipment is now subject to the approval of the Director of Facilities.
4. HR/CMS Self-Service Time and Attendance system has an existing disclaimer, which states:

"Employee Certification: (13500, 30)

I certify that the information entered is accurate and complete."

In addition, periodic communication is sent to the College community indicating that falsifying attendance is prohibited and a violation of law.

Long-Term Solutions

In addition to the steps outlined above, the College is implementing the following long-term solutions to address any systemic or institutionalized weaknesses in its management or internal controls.

Increased Training

Through this investigation, it was identified that the College needs to provide more training to employees and supervisors to make them aware of their responsibilities.

1. Training and/or repeated reminders will be provided for supervisors in regards to their responsibility for time and attendance approval and their responsibility for knowing the whereabouts of their supervisees.
2. Policies and procedures will be reviewed to ensure on-going ethics training and communication to new employees and annual communication and training for existing employees.
3. The College has developed a policy and procedure for annual communication to employees so that they are aware of the requirement to inform the Office of Human Resources prior to engaging the services of a College vendor.

Through this investigation, the College has identified internal control weaknesses in the areas of purchasing and fixed asset control. To address these concerns, the College will restructure certain aspects of its business operations, including the centralization of procurement, reassign fixed asset responsibilities and engage in risk management initiatives.

Internal Control Improvements for Purchasing

1. The Manager of Business Operations will take on a new responsibility as the Director of Purchasing and Business Operations for a centralized Procurement Department and MBCC will staff this department with a new Buyer position and an existing Administrative Assistant. The centralization of procurement will provide the necessary controls to identify goods to be added to inventory. Job description development and union negotiations are two of the next steps, with a plan to start centralized procurement at the start of fiscal 2017 on July 1, 2016.
2. Receipt of goods will also be centralized and the Storekeeper position in the loading dock area will now report to the Director of Purchasing and Business Operations.
3. A part-time position is being established to work with the Storekeeper to provide coverage during all hours that the loading dock is open for business.

Internal Control Improvements for Fixed Asset Management

1. The Controller will be responsible for inventory control, including planning and managing the annual inventory audit.
2. MBCC will implement a comprehensive asset inventory system for its Facilities Department and other key departments with assets, as well as for asset management for financial statement tracking and reporting of assets. MBCC owns such software and will engage consulting help to implement it. This program will allow for the identification, tagging, tracking and disposal of all assets.

3. The centralization of receiving will ensure that goods ordered are properly received. Additionally, MBCC will acquire and implement a handheld scanning and tagging equipment system from Pitney Bowes. This system will be used at the loading dock of the Wellesley Hills campus to capture arriving equipment and supplies and then again for direct deliveries to the Wellesley Hills, Framingham and Ashland campuses to capture location and document departmental receipt.
4. Under the supervision of the Controller, administrative assistant staff in the Fiscal Affairs Office will be assigned inventory recordkeeping responsibilities to ensure that all records are up to date and coordinate asset tracking activities.
5. Establish a work study position(s) to physically visit college assets and update current inventory records as needed, as well as to assist in the required inventories to be taken.
6. Departments with significant inventory will have designated contacts who will work with the procurement, receiving and finance areas to ensure proper inventory recordkeeping and management in their areas.
7. MBCC will establish policies and procedures to conduct the annual inventory audit in the March/April timeframe each year starting in FY2017 so that any issues that arise can be addressed prior to year-end. The Fiscal Affairs Office will require semi-annual confirmation of custody and condition of all assets from department heads for those assets under their responsibility.
8. The College will increase controls for non-inventory assets, such as cameras, A/V equipment and iPads which can be easily converted to personal use by increasing the use of the library database system and locked cabinet sign out procedures. Consumable office and facilities supplies such as paper, general desk supplies, belts and filters and building supplies that are stored on campus will be controlled using storefront technology that includes real time inventory levels and request and distribution tracking.

Risk Management Initiatives

1. An Assistant Vice-President (AVP) for Fiscal Affairs position will be created to manage the overall fiscal affairs area. Part of the AVP's responsibilities will be to update the internal control manual to reflect new policies and procedures while working with staff to enhance any remaining procedures around the safeguarding of assets college-wide.
2. On an annual basis, MBCC will conduct an inventory risk assessment to determine whether a more frequent inventory audit schedule needs to be established for areas of high risk within the overall portfolio of assets and then conduct the audits in accordance with the more frequent schedule.
3. MBCC will undertake college-wide communication on its updated organizational structure for inventory, including fully communicating the custodial responsibility to department heads that have inventory in their areas.
4. Physical improvements will be made to the loading dock to increase security. A locking system will be installed to provide enhanced security.
5. The College is implementing a new work order system in coordination with the fiscal year beginning July 1, 2016 that will address the planning and management of facilities projects including work that will be performed during overtime.

In conclusion, MBCC management believes that the implementation of its corrective actions and long-term solutions detailed above will improve its asset management throughout the College and strengthen its internal controls so that the findings in the report will not reoccur in the future. We would be happy to discuss any aspect of our corrective action plan in further detail as needed.

Policy – Equipment and Resource Usage

1.0 Overview

This policy establishes acceptable and unacceptable uses of Equipment and Resources in the custody of MassBay Community College. All College property usage should be in conjunction with our culture of ethical and lawful behavior, openness, trust and integrity.

2.0 Purpose

The purpose of this policy is to inform staff of appropriate uses of State Equipment and Resources, and provide reporting and enforcement guidelines.

3.0 Scope

The scope of this policy includes all College employees with State Equipment and Resources under their official control or direction, or in their custody. This includes the use of individual time during established work hours.

4.0 Policy

College facilities and equipment are to be used to support instruction and administrative functions. College employees may not use State resources, including time or property, for personal benefit or gain, or for the benefit or gain of any other individuals or outside organizations. College Equipment and Resources may not be used in any manner that is in violation of College, State, or federal laws or policies, or in violation of the rights of any third party.

4.1. Prohibited Use of Resources – List not meant to be exhaustive

4.1.1. To conduct an outside business for personal financial gain

4.1.2. To support, promote, or solicit for an outside organization or group unless

otherwise provided by law and College policy.

4.1.3. To assist with an election campaign, promote or oppose a ballot proposition or initiative, or lobby the state legislature.

4.1.4. Advertise and sell for commercial or personal purposes.

4.1.5 Use of College affiliation and title in connection with an outside business or that results in personal gain

4.1.6 Use of College branded stationary and other office or consumable supplies

4.1.7 Personal use of College Equipment and Resources even if there is no cost to the College (EX. Use of College tools or equipment for home improvement projects).

5.0 Responsibilities

5.1 Employee Responsibility

Understanding and adherence to this policy is mandatory. College employees should make independent assessments of the permissibility of the use of College Equipment and Resources for tasks not directly related to their official state job purpose. Employees are encouraged to consult with and seek approval from their supervisors when they are uncertain about the permissibility of a use of College Equipment and Resources.

5.2 Supervisory Responsibility

Supervisors are responsible to ensure their subordinates are aware of this policy. Supervisors may seek clarification from Human Resources if they are uncertain about

items contained in this policy.

6.0 Reporting

6.1 Internal Reporting

Employees who observe or learn of a violation are to report such a violation to Human Resources. Employees who are unsure about whether a violation is present or request more guidance are encouraged to reach out to the Human Resources office for further clarification.

6.2 Ethics Commission Reporting

Complaints to the Massachusetts Ethics Commission are handled by the Enforcement Division. You can file a complaint using any of the listed options

6.2.1 Telephone, by speaking to an Intake Investigator at (617) 371-9500 or (888) 485-4766;

6.2.2 Letter, sent by mail to State Ethics Commission, One Ashburton Place, Room 619, Boston, MA 02108;

6.2.3 Letter, sent by fax, to (617) 723-5851;

6.2.4 Online complaint form available on the website
<http://www.mass.gov/ethics/about-the-commission/organization/the-legal-division/request-268a-advice.html>;

6.2.5 Visit the Commission offices, located in the McCormack State Office Building at One Ashburton Place, Room 619, Boston, MA.

7.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination.

Policy – Surplus Property

1.0 Overview

All State departments, including public higher education institutions, are required by State regulation to declare surplus property. This policy establishes MassBay Community College's procedures for surplus property that is no longer necessary to be used at the college.

2.0 Purpose

The purpose of this policy is to inform faculty and staff of the required procedures to surplus property.

3.0 Scope

The scope of this policy includes all college employees who have responsibility for the property at the college.

4.0 Policy

The Commonwealth requires that surplus property cannot be removed or transferred from a department without written approval of the State Surplus Property officer. This approval must be obtained by MassBay removal or prior to the retirement of assets from service at the college.

The objective of the Massachusetts State Surplus Property Office (SSP) is to insure that the Commonwealth realizes the maximum benefit from State owned surplus personal property by regulating the manner of disposition of such property to State departments, municipalities, not-for-profit organizations and the general public. (www.mass.gov)

With the exclusion of land and buildings which is handled by the Division of Capital Assets Management, departments must periodically assess their inventories of equipment, supplies, and materials and inform SSP of all items that exceed departmental needs. The college will do this each year as part of the required annual inventory count and as faculty and staff identify assets for removal or retirement periodically throughout the year.

If there is no need on record for a particular piece of property, the item is listed in a Surplus Memorandum and offered to public entities according to state's priority, cost and notification guidelines.

Priority	Entity	Cost	Eligible
1	State Department w/ Declared Need	None	at any time
2	State Departments	None	at any time
3	Cities and Towns	Admin Fee	after 30 days
4	Licensed Non-Profits	Admin Fee	after 50 days
5	General Public	Auction/Bid	after 60 days

All departments retain their priority over other public entities throughout the surplus lifecycle, thus a department will have first right to an item over a city or town even after 30 days.

Administration fees charged to the municipalities and non-profit organizations are based on the age, condition and acquisition value of the item and are set by the State Surplus Officer.

5.0 Procedures/Reporting

The following procedures are for staff who would like to remove or retire an asset from service:

1. Complete FORM OSD25: Declaration of Surplus State Personal Property
2. Email FORM OSD25 to lcurlley@massbay.edu. The Business office will forward requests to the State Surplus Officer.
3. Items will be listed with the State Surplus Officer
4. Department will be notified by the Business office when they are clear to arrange disposal or with next steps

Faculty and staff may seek clarification from the Business office if they are uncertain about items contained in this policy.

6.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination.