

Report on Medicare Compliance Volume 28, Number 10. March 18, 2019 Hotline Calls Are 'Best Defense' Against Misconduct; Look Outside to Verify Reports

By Nina Youngstrom

Hotline calls and other tips are the best way to uncover potential violations inside organizations, but getting the full picture often requires documents and other evidence that only can be found outside the organization, one expert says.

“The best line of defense for organizations who want to control, prevent and resolve misconduct are your own employees and third parties supporting your organization,” said former federal prosecutor Jeffrey Klink, CEO of Klink in Pittsburgh, Pennsylvania.

Multiple hotline calls and other complaints exposed corruption by a vendor procurement employee at one Pennsylvania company. The woman was having an affair with a married vendor, from whom she solicited kickbacks. “It was a classic kickback scheme where the vendor inflated the prices on the goods being sold, the employee approved the inflated invoices, and when the vendor got paid, he kicked back some of the money to the employee,” Klink said. Hotline calls came in about the employee’s relationship with the vendor, but there were other signs that something was amiss. The CEO wanted to know who was driving a nicer car than him, and it turned out to be the vendor procurement employee, who also left copies of her healthy bank statements on the Xerox machine.

When Klink was hired to investigate, he found purchasing improprieties in records and employee interviews, but convinced the company not to fire the woman yet. He wanted her in the dark while he conducted a broader investigation. After searching property records, Klink discovered the vendor procurement employee and vendor had purchased a house on Philadelphia’s expensive Main Line, and that while on a supposed vacation to the Jersey Shore, she was actually in China forming an apparel company with the vendor. And although she had deleted emails with her vendor boyfriend, a forensic audit retrieved them. When confronted, the woman denied the misconduct until presented with the evidence.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)