

COLORADO JUDICIAL DEPARTMENT FINANCIAL SERVICES DIVISION	FISCAL RULES AND PROCEDURES JANUARY 1, 2023	
CHAPTER 1.8 RESPONSE TO OSA FRAUD HOTLINE REFERRALS	PAGE 1	

1. Authority

- A. Pursuant to Section 2-3-110.5, C.R.S., the Office of the State Auditor (OSA) administers a Fraud Hotline to receive reports of alleged occupational fraud. The OSA is responsible for administering the hotline, screening calls to determine if the matter being reported constitutes an allegation of occupational fraud as defined in the statute, and referring matters deemed to be allegations of fraud to a designee of each state agency, including the Judicial Department.
- B. Per statute, in response to a referral from the OSA Fraud Hotline, the Judicial Department may:
 1. Conduct an investigation internally with no involvement by the OSA.
 2. Conduct an investigation internally but request the assistance of the OSA.
 3. Request that the OSA conduct an investigation.

2. Definitions

- A. Administrative Authority – As defined in Chief Justice Directive 95-01, the Chief Justice has delegated administrative authority to each chief judge, who serves as the administrative head of all district and county courts within a judicial district. The chief judge of the Court of Appeals is the administrative head of the Court of Appeals. Each chief judge may delegate authority to the court executive, clerk(s) of court, chief probation officer, and other judges, as deemed appropriate. The State Court Administrator is the administrative head of the State Court Administrator’s Office. The State Court Administrator may delegate authority to a division director(s) or others, as deemed appropriate.
- B. Department Staff – The appropriate individuals who are authorized and knowledgeable to complete the tasks and functions described in this Fiscal Rule.
- C. SCAO Senior Staff – The State Court Administrator, Legal Counsel, and the Division Directors at the State Court Administrator’s Office.

3. General Policies

- A. The Judicial Department shall take appropriate action to respond to all OSA Fraud Hotline referrals and shall report to the OSA in compliance with statute.
- B. The Audit Manager at the State Court Administrator’s Office (SCAO) is the management designee to receive referrals from the OSA Fraud Hotline.
- C. If a referral from the OSA Fraud Hotline is received by someone other than the Audit Manager, the referral shall be handled in accordance with this policy.
- D. The State Court Administrator shall notify the Chief Justice of all OSA Fraud Hotline referrals.
- E. The Audit Manager shall consult directly with the Chief Justice if a referral is received that relates to a member of SCAO Senior Staff.
- F. Pursuant to Sections 13-5.3-102 and 13-5.3-106, C.R.S., the Audit Manager shall refer within 35 days of receipt any OSA Fraud Hotline referral that relates to a judge or justice to the Colorado Commission on Judicial Discipline for investigation. The Department shall comply with the provisions of Section 13-5.3-106 C.R.S., related to information sharing with the Commission.
- G. The State Court Administrator shall notify the Chief Judge if an OSA Fraud Hotline referral is

COLORADO JUDICIAL DEPARTMENT FINANCIAL SERVICES DIVISION	FISCAL RULES AND PROCEDURES JANUARY 1, 2023	
CHAPTER 1.8 RESPONSE TO OSA FRAUD HOTLINE REFERRALS	PAGE 2	

received that relates to staff or judges in their district, unless the referral pertains to the Chief Judge.

- H. Based on the circumstances of the allegation and investigation, in consultation with the State Court Administrator, the Administrative Authority may notify the individual staff member or judge that is the subject of the OSA Fraud Hotline referral.
- I. In consultation with the State Court Administrator, the Administrative Authority shall be responsible for determining the action to be taken, if any, upon the conclusion of an OSA Fraud Hotline referral investigation.
- J. If an investigation into an OSA Fraud Hotline referral identifies illegal transactions or misuse or embezzlement of public funds or property, the Department shall immediately report the matter to a law enforcement agency, district attorney, or the attorney general, as appropriate.
- K. The Audit Manager shall maintain a log of all OSA Fraud Hotline referrals, to include the date of receipt from the OSA Fraud Hotline, the course of action taken for investigation, the results of the investigation and any recommended actions, and the date(s) that the results were reported to the OSA.
- L. Records related to OSA Fraud Hotline investigations shall be maintained for a period of seven years from the date the disposition was reported to the OSA.
- M. In accordance with PAIRR2 Section 3(a)(1) and Section 2-3-110.5(2)(f)(II), C.R.S., the Department shall deny inspection of all records and reports related to OSA Fraud Hotline referrals and investigations.

4. Referral Received from OSA Fraud Hotline

- A. Upon receiving a referral from the OSA Fraud Hotline, the Audit Manager shall confirm receipt of the referral with the OSA by email.
- B. Upon receiving a referral from the OSA Fraud Hotline, the Audit Manager shall provide the referral to SCAO Senior Staff, provided that the referral does not pertain to a member of Senior Staff.
- C. Within 14 days of the date of receipt of the referral from the OSA, Senior Staff shall determine whether to recommend that the investigation be conducted:
 - 1. Internally with no OSA involvement,
 - 2. Internally with OSA assistance, or
 - 3. Conducted by the OSA.
- D. The State Court Administrator shall provide the recommendation of Senior Staff to the Chief Justice for final approval.
- E. The Audit Manager shall notify the OSA of the Department's decision on how the investigation shall be handled.
- F. The Audit manager shall notify the OSA that an OSA Fraud Hotline referral that relates to a judge or justice has been provided to the Colorado Commission on Judicial Discipline for investigation.

5. Internal Investigation of OSA Fraud Hotline Referral

- A. When determined that an investigation shall be conducted internally without involvement of the

COLORADO JUDICIAL DEPARTMENT FINANCIAL SERVICES DIVISION	FISCAL RULES AND PROCEDURES JANUARY 1, 2023	
CHAPTER 1.8 RESPONSE TO OSA FRAUD HOTLINE REFERRALS	PAGE 3	

OSA, Senior Staff shall determine the appropriate Department Staff to conduct the investigation, based on the circumstances of the allegation.

- B. An internal investigation may include various staff from multiple divisions.
- C. Staff handling an investigation shall provide Senior Staff with a proposed scope of the investigation within 30 days of the referral from the OSA.
- D. Staff handling an investigation shall provide a status update to Senior Staff within 60 days of the referral from the OSA.
- E. Staff handling an investigation shall provide a written report to Senior Staff of the outcome of the investigation, including any recommended actions or actions taken within 75 days of the referral from the OSA.
 - 1. If the investigation is not complete within 75 days of the referral from the OSA, staff handling the investigation shall update Senior Staff and the Audit Manager with a proposed timeline of when the investigation will be complete.
 - 2. In order to comply with statutory reporting requirements, the Audit Manager shall provide an update to the OSA within 90 days of the referral from the OSA and request an additional 90 days to complete the investigation, if necessary. This reporting requirement continues every 90 days until the investigation is complete.
- F. Upon completion of an investigation, the Audit Manager shall report the disposition of the referral, including any action taken, to the OSA within 90 days of the referral from the OSA, or as soon as the investigation is complete if additional time has been requested and granted by the OSA.

6. Investigation Conducted by or with the Assistance of the OSA

- A. When determined that an investigation shall be conducted by or with the assistance of the OSA, Senior Staff shall determine the appropriate Department Staff to be the primary point of contact for the OSA investigation.
- B. Per statute, if the OSA assists with or conducts an investigation, the Department acknowledges that:
 - 1. OSA has access at all times to all of the books, accounts, reports, vouchers, or other records or information maintained by the agency that are directly related to the scope.
 - 2. OSA shall report the results of the investigation to the Chief Justice. The OSA shall also provide any workpapers prepared or maintained by the OSA during the investigation.
 - 3. If the investigation finds evidence that the amount of the alleged fraud exceeds one hundred thousand dollars, the OSA shall also report the results of the investigation to the Legislative Audit Committee.
 - 4. If the investigation finds evidence of apparently illegal transactions or misuse or embezzlement of public funds or property, the OSA shall immediately report the matter to a law enforcement agency, district attorney, or the attorney general, as appropriate. The state auditor shall also provide any workpapers prepared or maintained by the state auditor.