



Lawrence F. Alwin, CPA  
State Auditor

## Special Investigations Report Regarding Texas Tech University Health Sciences Center—Amarillo

June 24, 2002

Members of the Legislative Audit Committee:

The State Auditor's Office Special Investigations Unit led a joint task force consisting of auditors from the Texas Tech University System Office of Internal Audit and Consulting and investigators from the Potter County District Attorney's Office. The task force obtained evidence that led to the indictment of Michelle Dorsey by a Potter County Grand Jury. The Potter County District Attorney's Office obtained the indictment on June 5, 2002.

The indictment charged Ms. Dorsey, a cashier in the Business Office of the Texas Tech University Health Sciences Center—Amarillo, with one count of misapplication of fiduciary property over \$200,000, a first degree felony.

The investigation was prompted by allegations that Ms. Dorsey removed large amounts of cash from the Texas Tech Health Sciences Center's clinics. These crimes were effected through the destruction and falsification of governmental records.

We found evidence that Ms. Dorsey caused the alteration of deposit records to disguise the removal of cash from the clinics. Checks received as payment for insurance claims were used to disguise these cash shortages. This caused patient accounts maintained in the course of governmental business to be either falsely credited or not credited at all. During the period from June 8, 2001, through June 27, 2001, a total of \$266,462.11 was misapplied to disguise the removal of \$5,385.95 in currency and coin. In addition, Texas Tech University will be filing a claim against a bond for losses exceeding \$275,000 for a 5-year period ending June 27, 2001.

If you have any questions, please contact Frank Coleman, Senior Investigator, or John Weber, Manager, of the Special Investigations Unit at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA  
State Auditor

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cc: The Honorable Rebecca King, Potter County District Attorney  
Members of the Board of Regents, Texas Tech University System  
Dr. David R. Smith, Chancellor, Texas Tech University System  
Mr. Elmo Cavin, Acting President of Texas Tech University Health Sciences Center

The **Special Investigations Unit** investigates reports of illegal activity involving state agencies and universities.

Texas Government Code, Section 321.022, requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit [www.sao.state.tx.us](http://www.sao.state.tx.us), or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.