

Department of Corrections and Rehabilitation

Investigations of Improper Activities by State Employees, January 2008 Through June 2008

ALLEGATION I2006-0826 (REPORT I2008-2), OCTOBER 2008

Department of Corrections and Rehabilitation's response as of November 2009

The Department of Corrections and Rehabilitation (Corrections) improperly granted nine office technicians increased pay to supervise inmates at its R. J. Donovan Correctional Facility (facility). The office technicians were not entitled to receive this increased pay because they did not supervise the required number of inmates or did not supervise inmates who worked the minimum number of hours required for employees to receive the increased pay. Consequently, between January 1, 2005, and February 29, 2008, Corrections paid these office technicians a total of \$16,530 more than they should have received.

Finding #1: Corrections improperly paid its employees for inmate supervision when they did not qualify for the pay.

From January 2005 through February 2008, Corrections made 239 payments to nine office technicians for inmate supervision; however, for 87 of these payments, Corrections could not demonstrate that the employees satisfied the requirements for earning this compensation. In some instances, employees had not supervised any inmates during a given pay period. In other cases, employees supervised only one inmate during the pay period, or they had supervised at least two inmates as required but the inmates did not collectively work the required number of hours for the employees to qualify for supervision pay. Thus, Corrections paid the employees a total of \$16,530 that they were not entitled to receive under the collective bargaining agreement. This amount constitutes 36 percent of the total spent for inmate supervision for the period that we reviewed.

Finding #2: Corrections failed to maintain adequate accounting and administrative controls that would prevent the improper payments.

Our investigation further determined that Corrections paid the nine employees incorrectly because the facility lacked proper controls—including adequate oversight—to ensure that the employees qualified for the increased pay by supervising at least two inmates who collectively worked for 173 hours. For example, according to our examination of inmates' time sheets—and our observation that inmates' time sheets were missing in certain instances—two of the nine employees who received supervision pay for August 2006 did not supervise any inmates during the month. Thus, these employees received the increased pay even in extreme cases in which inmates submitted no time sheets to support the employees earning supervision pay.

Investigative Highlights . . .

The Department of Corrections and Rehabilitation:

- » *Improperly paid its employees \$16,530 for inmate supervision that the employees were not entitled to receive.*
- » *Failed to maintain adequate controls and oversight to ensure employees qualified for the increased pay.*

Moreover, the number of improper payments may be even higher given what we discovered about the facility's system for recording inmate supervision. Specifically, we found that employees who supervised inmates routinely signed inmates' time sheets regardless of whether the employees or the inmates were present for work. Our comparison of the inmates' time sheets to the employees' official attendance reports for four months in 2006 identified at least 34 days when employees signed their approval of the work hours that inmates recorded even though the employees were not present at the facility to supervise inmates on those days. For example, time sheets for August 2006 show that four employees certified inmates' work hours during a total of 16 days that these employees' official attendance reports show they did not work. As a result, we are concerned that the facility lacks sufficient controls to ensure the accuracy of the records that justify employees receiving extra pay for supervising inmates. In particular, if these records are inaccurate, we have no assurance that the employees receiving the increased pay have properly earned it.

Corrections' Action: Partial corrective action taken.

Corrections informed us that it initiated payment recovery from the nine office technicians. However, Corrections stated that it was unable to recoup \$1,900 of the \$16,530 we identified because the overpayments occurred more than three years before it initiated recovery. In addition, because Corrections used the incorrect period for overpayment recovery when it initiated efforts, it also failed to collect \$3,230 to which the State was entitled for improper payments made from September through December 2005. As a result, in March 2009 Corrections indicated that it had set up accounts receivable totaling \$11,400 for the employees. Subsequently, it notified us that one of the office technicians provided it with documentation showing she met the criteria for one of the months we identified in our report. Based on our review of the documents, the office technician was entitled to \$190 for that month. Thus, Corrections reduced its overpayment recovery efforts to \$11,210. However, it had only recovered \$2,090 as of May 2009. Further, Corrections reported in September 2009 that it suspended its collection efforts pending an interpretation by the Department of Personnel Administration (Personnel Administration) of the rules related to supervising inmates. It received Personnel Administration's interpretation in October 2009. As of November 2009 Corrections had not informed us how Personnel Administration's interpretation affected its overpayment recovery efforts.