

OIG Information Digest

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Time and Attendance Abuse

Leave abuse and habitual tardiness are two of the greatest disciplinary problems managers have to deal with in today's Federal workplace. All too often managers do not work to identify and correct employees who abuse leave or are habitually tardy. By ignoring time and attendance problems and allowing them to fester and grow, managers may inadvertently hurt the morale of good employees who follow the rules.

The Office of the Inspector General (OIG) has the responsibility to investigate instances of Time and Attendance (T&A) abuse at the Nuclear Regulatory Commission (NRC). Some of the cases investigated involved individuals claiming to work overtime when they had not; not appropriately claiming sick or annual leave on time cards; or altering actual time card entries. Disciplinary action imposed by management ranged from suspensions of 5 days up to a month without pay for abusing the T&A system. The amount of disciplinary action varied, depending upon the severity of the case. In some cases, employees had to reimburse the NRC for the extra pay they collected. It should also be noted that disciplinary action can include termination from Federal service.

Don't make these mistakes. Your reputation and job are at stake. The bottom line is that it is every employee's responsibility to arrive at work on time and report work and leave hours correctly. The following articles are examples of the type of T&A abuse that can happen in this agency and others.

One of the most egregious cases occurred here at the NRC over 10 years ago, but still serves as a reminder the abuses which can occur within this program.

Special points of interest:

- *OIG Investigations*
- *Other agency investigations on T&A Abuse*

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OIG Case

In 1994, the Office of the Inspector General (OIG) learned that two Nuclear Regulatory Commission (NRC) employees had embezzled \$135,000 from the government during a five year period. These two employees claimed fraudulent overtime by altering their time cards, NRC Form 145 "Request for Irregular or Occasional Overtime or Compensatory Time," and forging the signatures of their supervisors.

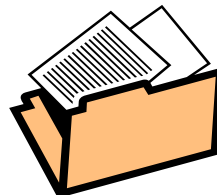
The scheme was identified when the former office director found a folder containing Time and Attendance (T&A) records on his desk. He thought the folder was misplaced during a recent office move so he asked his secretary to file the material.

Later that month, he received an anonymous phone call stating that he should look into the

overtime hours for a specific T&A unit. The caller said, "I see you didn't do anything about the T&A problem I reported to you last month."

After that call, the office director promptly had his secretary retrieve the folder in question and started reviewing the file for overtime claimed by employees in that unit.

After reviewing the contents of the folder, the office director contacted the Office of the Inspector General.



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The OIG reviewed the contents of the folder and discovered that the time cards of two employees, one of which was a T&A clerk, were possibly altered in pay periods in FY93.

The OIG retrieved the T&A records from the Payroll Branch and determined that the employees, had in fact, claimed fraudulent overtime and forged the signature of the supervisor having overtime approval.

Each of the employees were interviewed by OIG Special Agents and one of the employees, the T&A clerk, confessed that she was the one who orchestrated the entire scheme and was willing to do what she could to rectify the situation.

She said that at first she was only adding overtime hours to her own time card because of financial problems and being the sole provider for her family. About a year later, she found out that a co-worker was also the sole provider for her family and was experiencing financial problems.

The T&A clerk took it upon herself to add overtime hours to the timecard of the other employee.

After receiving her paycheck, the second employee confronted the T&A clerk about the discrepancy in her time card. She informed the T&A clerk that there should not be

any overtime hours on her timecard. The T&A clerk told her she was only trying to help her by increasing her paycheck. She told the T&A clerk that she did not want overtime hours added to her timecard because she did not want to jeopardize her job. The T&A clerk assured her that she had been doing it for some time and no one would find out.



The T&A clerk continued to add fraudulent overtime hours to each time card for a period of five years. In one pay period at least 71 hours of fraudulent overtime hours were added.



Each pay period the T&A clerk would enter the time correctly on the time cards and then have the supervisor sign the timecard. After the supervisor signed the card, the T&A clerk would add overtime hours and then forge the signature of the approving overtime official or alter the records to increase the amount of overtime earned. She would then send the time cards to the Payroll branch.

Each pay period the Payroll Branch would send a verification record addressed to the certifying official to verify that the time cards accurately reflected the verification record. In this particular branch, the T&A clerk was the individual responsible for verification of the records. She would verify the records knowing they were false and return the verification

record back to Payroll. OIG learned that the supervisors of these employees never verified that time cards accurately reflected the work hours of their employees. Both employees admitted ultimately to OIG that they falsified their time cards.

Both employees were terminated from the NRC and agreed to waive indictment and plead guilty to a single count charging them with Conversion of Government Funds in violation of 18 U.S.C. Section 641.

One of the employees was sentenced to four months home detention, five years probation, and ordered by the court to pay \$200 per month for the duration of the probation period. She was also ordered to turn over her NRC retirement fund in the amount of \$21,384.33.

The T&A clerk was sentenced to 12 months home detention, five years probation, and ordered by the court to pay \$400 per month for the duration of the probation period. She was also ordered to turn over her NRC retirement fund in the amount of \$14,847.58.



Other OIG Time and Attendance Abuse Cases

From time to time, OIG will have T&A cases to investigate. Most allegations of T&A abuse are forwarded to the proper manager for their action. The following are two examples of the cases OIG has investigated.



Based on the NRC employees hourly pay rate the total dollar amount of fraudulent overtime hours claimed by the employee was \$1,008. The employee was given a 7-day suspension without pay.



OIG determined that between October 2005 and August 2006, an NRC employee claimed on his NRC Summary Approval Reports (SAR) approximately 19 hours of overtime that he did not work. The NRC employee claimed working these hours on eight occasions, all during weekends.

Another NRC employee was issued a 30-day suspension because he altered an e-mail and electronic calendar and lied about his whereabouts to cover the fact that he had left work without approved leave.

Department of Transportation Investigation (www.oig.dot.gov/item.jsp?id=1827)

Former National Highway Traffic Safety Administration (NHTSA) Employee Pleads Guilty to Embezzling Nearly \$24,000 from the Government through False Claims for Overtime Pay

A former staff assistant at the (NHTSA) pled guilty in U. S. District Court in Washington, DC to a felony charge of embezzlement. The investigation found that, between December 2001 and March 2004, the

assistant fraudulently claimed that she and another NHTSA staff assistant worked over 1,000 hours of overtime. In fact, the overtime was neither authorized nor performed. One staff assistant received approximately \$24,000 and the other one more than \$12,000 as a result of the fraudulent overtime claims. They both pled guilty to the same charge and resigned from NHTSA in October 2004.

Telephone Technician Convicted in \$1 Million Fraud Scheme Against the Department of Education, Washington, D.C. (www.ed.gov/about/offices/list/oig/invtreports/dc022002.html)

A telephone technician employed by Bell Atlantic Federal Systems (now Verizon), was a participant in a wide-ranging conspiracy to defraud the Department of Education was found guilty by a jury in United States District Court of the three charges against him: one count of conspiracy to defraud the United States with respect to false claims and two counts of theft of government property. His convictions arose from his participation in a scheme through which the Department of Education was defrauded of more than \$1,000,000. Each of the counts of conviction carries a maximum of ten years imprisonment and a fine up to \$250,000.



assigned full-time to the Department of Education to install telephone systems. He worked alongside another Bell Atlantic Technician in addition to a technician with Lucent Technologies. Any hours, including overtime and holiday hours, that these technicians claimed to work for the Department of Education were billed to and paid for by the Department of Education.

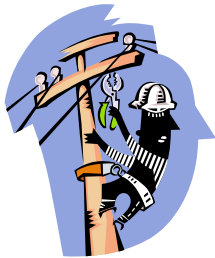
Sometime in the 1990's and continuing up until December 9, 1999, all the technicians began to claim that they were working far more overtime hours than they had actually worked. Two of the technicians testified that they met each morning to discuss how much time they should put on their time sheets for the prior day's work.

According to the Government's evidence, the technician employed by Bell Atlantic, was

Department of Education Investigation (con't. from page 3)

They decided that because they were supposedly working together their time sheets should reflect the same amount of time or it would appear suspicious.

In addition to adding hundreds of un-worked hours to their time sheets, the evidence showed that the technicians also were involved in conspiring with a telephone specialist at the Department of Education. At first, the technicians began to perform personal services for her. She sent the technicians during the workday and on weekends to drive her daughter to doctor's appointments, to buy her crab



cakes from Baltimore, install phone jacks at family members' homes, to perform yard work at family members'

homes, and other personal errands. In exchange for these favors, she permitted the technicians to claim that they were working overtime on legitimate Department of Education work at the time they were performing these personal errands. When one of the technicians was away getting married, the telephone specialist allowed him to claim he was actually at work that day for the Department of Education. She submitted his false time sheets for him while he was away and also fabri-

cated a false time sheet claiming that he had put in eight hours of overtime on that Saturday.



The evidence also showed that the technicians assisted the telephone specialist with her plan to obtain large amounts of electronic goods for her family members through the Bell Atlantic contract. She ordered the goods on the Bell Atlantic contract and helped deliver these to family members. As a reward for the technicians' assistance with her personal errands and obtaining the goods, the telephone specialist approved their false labor charges. The technicians kept quiet about all of these activities to ensure that they could continue to double their normal wages with their vastly overstated overtime claim.

As a result of this scheme the Department of Education was charged for over \$800,000 of false overtime charges and over \$300,000 worth of illegitimate goods. All the individuals pled guilty for their roles in the scheme. Fourteen people have pled guilty as a result of their participation in this scheme, including nine of specialist's family members.

The two Bell Atlantic technicians and a technician from another telecommunications company were fired as a result of the investigation and sentenced to 27 months in prison.

The former telephone specialist at the Department of Education was sentenced in U.S. District Court to serve 54 months in prison for her role as the mastermind of a conspiracy which cost the Department of Education in excess of \$1,000,000. She was also ordered to perform 300 hours of community service upon her release from prison.

The Judge also sentenced her husband, a former Environmental Protection Agency employee, to serve 27 months in prison and to pay a fine of \$50,000. Their son was also sentenced for his participation in the scheme and was sentenced to 16 months in prison to be followed by the performance of 300 hours of community service.



Employee Responsibilities—MD 10.43, “Time & Labor Reporting”

The Federal Government offers most of its employees alternative work schedules. Some agencies have the four 10-hour days per week, a compressed work schedule, flexi-time schedule, and/or credit hours. With the assorted schedules that are available, it could be possible to make unintentional errors on time cards.

All NRC employees are responsible for submitting NRC Form 707 (or equivalent), Hours of Work Request to identify or update their work schedules. Most importantly, each employee is responsible for accurately reporting all regular hours worked; any annual leave or sick leave taken during a

pay period; or any other type of leave taken in the NRC Time and Labor System (T&L).

Each employee must accurately report overtime or compensatory time with prior supervisory approval in the T&L System and fill out a Form 145 “Request and Authorization for Irregular or Occasional Overtime or Compensatory Time.”

Employees should also contact the T&L coordinator for any new assignment that re-

quires a new activity code be added to their time entry profile or if their work schedule should change.

Employees need to correct any time entry errors during the current pay period and should also ask approval for leave requests, overtime requests, and credit hour work plans, as prescribed in NRC MDs 10.42, 10.46, and 10.62.



Management Responsibilities MD 10.43, “Time & Labor Reporting”

Approving officials must have knowledge of the work schedule, work assignments, and hours of each employee in their T&L units to ensure that time and labor is accurately reflected. Supervisors should also ensure that their employees are accurately reflecting any overtime or compensatory time earned or used by reviewing Summary Approval Report (SAR) prior to their approval. Supervisors should also possess knowledge of agency time and labor policy guidelines.

Managers are responsible for reviewing, signing, and approving the employees’ SARs, indicating that the total time and the distribution of hours to activities are correct. They should

also ensure that employees sign the SAR either before final approval or upon the employee’s return to the office to verify the accuracy of reported hours.

Supervisors should be proficient in the use and input of T&A in the NRC’s T&L System enabling them to approve the employees’ time and the distribution of hours to activities as recorded in the T&L system.

Supervisors must also ensure that employees are using the appropriate forms as required,

for leave, overtime, premium hours, work schedules, credit hour plans/work, and so on, and ensuring that appropriate documentation is available to support the SAR before approval.



Time card corrections should be certified within 2 weeks: Prior period adjustments will be identified for correction within 2 weeks after the close of the last pay period.

For more information consult MD 10.43.

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