



Public Synopsis

OIG Report #2014-0237

Inappropriate payroll coding by a Department of Transportation
Traffic Division Office Supervisor

PUBLIC SYNOPSIS



**OFFICE OF INSPECTOR GENERAL
BALTIMORE CITY**

100 N. Holliday Street, Rm. 640
Baltimore, MD 21202



Public Synopsis

**Synopsis of OIG Report #2014-0237: Inappropriate Payroll Coding by Department of
Transportation Traffic Division Office Supervisor**

TABLE OF CONTENTS

INTRODUCTION MEMORANDUM1

OIG NOTICE REGARDING REPORTS2

PUBLIC SYNOPSIS3

INTRODUCTION 4

BACKGROUND4

 TRAFFIC DIVISION.....4

 OVERTIME APPROVAL PROCESS WITHIN TRAFFIC DIVISION.....4

 CONTROLS OVER PAYROLL WITHIN TRAFFIC DIVISION5

 CITY UNION OF BALTIMORE AGREEMENT REGARDING OVERTIME.....5

SUMMARY OF INVESTIGATION5

 SYNOPSIS5

CHRONOLOGY OF RELEVANT EVENTS8

INTERVIEWS8

ANALYSIS.....9

FINDINGS.....10

VIOLATIONS.....11

RECOMMENDATIONS..... 12

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	SUBJECT	Synopsis of OIG Final Report #2014-0237		

TO Hon. President and Members of the City Council
400 City Hall

DATE: 11/21/2014

Please find attached the Office of Inspector General's (OIG) Public Synopsis of Case #2014-0237, which involved the engagement of the Department of Transportation (DOT) Traffic Division Office Supervisor, Hazel Crowell, in inappropriate payroll coding whereby she submitted authorization forms marked to receive compensatory time for supervisory approval and then entered her own time into the payroll system as paid overtime.

On 01/02/2014, the OIG was contacted regarding a possible payroll scheme undertaken by an employee of the DOT Traffic Division. The information received indicated that Ms. Crowell improperly coded payroll and entered her own time into the payroll system in order to receive pay in lieu of the compensatory time for which she was approved. Through this scheme Ms. Crowell received \$13,726 in unauthorized pay.

Ms. Crowell was terminated from City employment on 02/25/2014. The City Law Department is currently pursuing civil action against Ms. Crowell.

The OIG would like to thank all of the City agencies and employees who acted as valuable partners in working towards the successful conclusion of this investigation. The OIG looks forward to continuing our partnership to strengthen policy, procedure, and internal oversight protocols.

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Office of Inspector General
100 N. Holliday Street
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Baltimore, MD 21202

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- Notifications of new reports are now available via Twitter by following us **@OIG_BALTIMORE**.

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Public Synopsis

Synopsis of OIG Report #2014-0237: Inappropriate Payroll Coding by Department of Transportation Traffic Division Office Supervisor

Subject: Hazel Crowell, Office Supervisor, Department of Transportation Traffic Division

INTRODUCTION

A City employee in the Department of Transportation (DOT) Traffic Division engaged in inappropriate payroll coding by submitting authorization forms for compensatory time for supervisor's approval and then entering her own time into the payroll system as paid overtime. Through these actions, this City employee reported 367.5 hours of overtime and received approximately \$13,726 in paid overtime compensation from the City. The City's Law Department is currently pursuing civil action against Ms. Crowell.

BACKGROUND

To assist readers, a more detailed description of Traffic Management Control Center operations and payroll processes is included below.

DOT – Traffic Division - Traffic Management Control Center (TMC)

The Traffic Management Control Center (TMC) is located at 414 N. Calvert Street. Traffic Management activities include maintenance of traffic, parking restrictions, events management, traffic signal coordination, truck routing, development review, safety studies, red light enforcement, and community traffic calming. TMC is staffed by approximately 90+ employees.

Overtime Approval Process Within DOT Traffic Division

Currently there is no set of formal written policies for payroll processing for DOT Traffic Division. However, DOT Traffic Division management has established procedures for payroll processing within the Division.

Employees seeking to work overtime must seek approval in advance. This is done by preparing an overtime authorization slip. The employee prepares this slip by entering their name, regular hours worked, type of work performed on overtime, date of requested overtime, beginning and ending time of overtime to be performed, total overtime hours to be worked, and how they would

like to be compensated. The employee makes this compensation selection by marking next to either "to be paid" or "compensatory." After the employee signs and dates the form it is given to their supervisor for approval. The employee's supervisor signifies their approval of the requested overtime by signing and dating the overtime authorization slip.

The payroll clerk reviews the authorization slip to ensure that all required information has been filled out and that the slip has been signed by the requesting employee's supervisor. Once reviewed, the payroll clerk then enters the overtime hours and compensation type as selected on the authorization slip.

Controls Over Payroll Processing Within DOT Traffic Division

OIG personnel noted no written internal controls within DOT Traffic Division. However, the Division requires the payroll clerk to enter payroll adjustments and overtime for all Division employees except themselves. The DOT Traffic Division Office Supervisor enters payroll adjustments and overtime for the payroll clerk. This policy is to ensure that no employee enters their own time.

The Office Supervisor reviews the payroll processed by the payroll clerk for errors. Once payroll has been reviewed by the Office Supervisor it is sent to the Division's Deputy Chief for approval.

City Union of Baltimore (CUB) Agreement Regarding Overtime

The prominent issue of this investigation pertains to the Office Supervisor, a CUB member, receiving authorization for compensatory time then entering her time into the payroll system as paid overtime instead of compensatory time. According to the union agreement with the City of Baltimore, CUB employees are allowed to choose between compensatory time and paid overtime.

SUMMARY OF INVESTIGATION

Synopsis

On Thursday, 01/02/2014, DOT personnel met with DOT Traffic Division management to discuss a questionable entry posted by Office Supervisor Hazel Crowell that was noticed in the payroll program known as E-Time. Shortly thereafter, DOT Traffic Division management conducted a review of Ms. Crowell's time keeping records for the period of 09/01/2013 to 01/21/2014. DOT Traffic Division management also reviewed access card swipe logs and security camera footage for the TMC building to determine when Ms. Crowell entered and left the building during this time period. This review revealed the following inconsistencies: 1) E-Time reports with overtime hours greater than hours authorized, 2) approved compensatory time that was entered into E-Time as paid overtime, and 3) surveillance camera footage showing Ms. Crowell leaving TMC earlier than the time reported.

On the afternoon of Wednesday, 01/15/2014, DOT Traffic Division management provided OIG personnel with the results of their review along with supporting payroll documents. A preliminary review of payroll reports and overtime authorizations provided by DOT Traffic

Division management revealed an extensive amount of occasions where Ms. Crowell was authorized to receive compensatory time, but entered her time as paid overtime in the payroll system. As such, the OIG focused its investigation on the recording of approved compensatory time as paid overtime.

OIG personnel reviewed overtime authorization slips, E-Time payroll reports, and E-Time Timecard Audit Trail reports as well as conducted several interviews of DOT Traffic Division management and payroll staff. During the OIG investigation, DOT Traffic Division management confronted Ms. Crowell regarding her overtime. On 02/03/2014, Ms. Crowell was suspended pending a termination hearing and subsequently resigned.

OIG personnel noted 106 instances of improper overtime coding by Hazel Crowell.¹ A complete listing and summary of the 106 instances analyzed by the OIG has been attached to this report (See Exhibit 1). For clarity, the OIG has summarized a random sample of 10 of the 106 events below.

Time Entry for Hazel Crowell

OIG personnel reviewed overtime reported by Ms. Crowell for the period of 11/01/2011 to 02/03/2014. The normal work schedule for Ms. Crowell is Monday through Friday between the hours of 8:00am and 4:00pm. For the period reviewed, Ms. Crowell reported approximately 367.5 hours of paid overtime in lieu of the compensatory time she was authorized to receive. Of the 367.5 hours of miscoded overtime, Ms. Crowell recorded 308 hours at the time-and-a-half pay rate and 59.5 hours at the double overtime pay rate.

On Saturday 03/30/2013, Ms. Crowell reported 5 hours of overtime worked from 8:00am to 1:00pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 5 hours of compensatory time. On 04/03/2013, the payroll clerk entered Ms. Crowell's overtime into the ADP payroll database as compensatory pay.² On 04/15/2013, Ms. Crowell modified her overtime information in the ADP payroll database to reflect paid overtime for the 5 hours worked on 03/30/2013.³ At a pay rate of \$23.49/hour, Ms. Crowell received \$176.18 in overtime pay for 03/30/2013.

On Saturday 05/11/2013, Ms. Crowell reported 7 hours of overtime worked from 7:00am to 2:00pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 7 hours of compensatory time. On 05/15/2013, the payroll clerk entered Ms. Crowell's overtime into the ADP payroll

¹ Authorized employees at the TMC are provided an individual username and password for the ADP payroll database. Usernames consist of the user's first and last initial followed by the last 4 digits of the employees social security number. The E-Time Timecard Audit Trail reports list HC**** as the user that entered the overtime within the database. HC**** is Ms. Crowell's ADP username. While it is possible that another user utilized a workstation in which Ms. Crowell was logged into ADP, the OIG believes that all data changes were made from Ms. Crowell's workstation which was not regularly used by other employees.

² E-Time Audit Trail Report revealed information was entered by username GV****.

³ E-Time Audit Trail Report revealed information was entered by username HC****.

database as compensatory pay.⁴ On 05/16/2013, Ms. Crowell modified her overtime information in the ADP payroll database to reflect paid overtime for the seven hours worked on 05/11/2013.⁵ At a pay rate of \$23.49/hour, Ms. Crowell received \$246.65 in overtime pay for 05/11/2013.

On Monday 09/02/2013, Ms. Crowell reported 5 hours of overtime worked from 8:00am to 1:00pm.⁶ The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 5 hours of compensatory time. On 09/05/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid overtime.⁷ At a pay rate of \$23.49/hour, Ms. Crowell received \$176.18 in overtime pay for 09/02/2013.

On Sunday 09/15/2013, Ms. Crowell reported 4 hours of overtime worked from 8:00am to 12:00pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 4 hours of compensatory time. On 09/18/2013, the payroll clerk entered Ms. Crowell's overtime into the ADP payroll database as compensatory pay.⁸ On 09/24/2013, Ms. Crowell modified her overtime information in the ADP payroll database to reflect paid double overtime for the 4 hours worked on 09/15/2013.⁹ At a pay rate of \$46.98/hour (\$23.49/hour x 2), Ms. Crowell received \$187.92 in overtime pay for 09/15/2013.

On Sunday 09/29/2013, Ms. Crowell reported 4 hours of overtime worked from 7:00am to 11:00am. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 4 hours of compensatory time. On 10/03/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid double overtime.¹⁰ At a pay rate of \$46.98/hour (\$23.49/hour x 2), Ms. Crowell received \$187.92 in overtime pay for 09/29/2013.

On Saturday 10/26/2013, Ms. Crowell reported 7 hours of overtime worked from 8:00am to 3:00pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 7 hours of compensatory time. On 11/04/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid overtime.¹¹ At a pay rate of \$23.96/hour, Ms. Crowell received \$251.58 in overtime pay for 10/26/2013.¹²

On Sunday 11/24/2013, Ms. Crowell reported 4 hours of overtime worked from 6:30am to 10:30am. The overtime authorization slip signed by Ms. Crowell, and approved by her

⁴ E-Time Audit Trail Report revealed information was entered by username GV****.

⁵ E-Time Audit Trail Report revealed information was entered by username HC****.

⁶ 09/02/2013 was the Labor Day holiday which explains why Ms. Crowell would earn compensatory time during what appears to be her normal scheduled hours.

⁷ E-Time Audit Trail Report revealed information was entered by username HC****.

⁸ E-Time Audit Trail Report revealed information was entered by username GV****.

⁹ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁰ E-Time Audit Trail Report revealed information was entered by username HC****.

¹¹ E-Time Audit Trail Report revealed information was entered by username HC****.

¹² On 10/16/2013, Ms. Crowell received a pay rate increase of \$0.47/hr.

supervisor, reported that Ms. Crowell was approved for 4 hours of compensatory time. On 12/02/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid double overtime.¹³ At a pay rate of \$47.92/hour (\$23.96/hour x 2), Ms. Crowell received \$191.68 in overtime pay for 11/24/2013.

On Sunday 12/08/2013, Ms. Crowell reported 4 hours of overtime worked from 6:00am to 10:00am. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 4 hours of compensatory time. On 12/16/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid double overtime.¹⁴ On 12/22/2013, Ms. Crowell increased the number of overtime hours to 7 hours.¹⁵ At a pay rate of \$47.92/hour (\$23.96/hour x 2), Ms. Crowell received \$335.44 in overtime pay for 12/08/2013.

On Sunday 12/22/2013, Ms. Crowell reported 6 hours of overtime worked from 8:00am to 2:00pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 6 hours of compensatory time. On 12/23/2013, Ms. Crowell entered her overtime information into the ADP payroll database as paid double overtime.¹⁶ On 01/04/2014, Ms. Crowell modified her overtime information in the ADP payroll database in order to increase the number of overtime hours posted to 8 hours.¹⁷ At a pay rate of \$47.92/hour (\$23.96/hour x 2), Ms. Crowell received \$383.36 in overtime pay for 12/22/2013.

On Sunday 01/05/2014, Ms. Crowell reported 7 hours of overtime worked from 8:30am to 3:30pm. The overtime authorization slip signed by Ms. Crowell, and approved by her supervisor, reported that Ms. Crowell was approved for 7 hours of compensatory time. On 01/08/2014, Ms. Crowell entered her overtime information into the ADP payroll database as paid double overtime.¹⁸ At a pay rate of \$47.92/hour (\$23.96/hour x 2), Ms. Crowell received \$335.44 in overtime pay for 01/05/2014.

In these 10 instances, Hazel Crowell reported 58 hours of overtime (including 34 hours of double overtime) and received approximately \$2,472 in paid overtime compensation from the City. Over the entire period reviewed the OIG noted 106 instances in which Hazel Crowell reported a total of 367.5 hours of overtime (including 59.5 hours of double overtime) and received approximately \$13,726 in paid overtime compensation from the City.

Chronology of Relevant Events

- 11/2011: Hazel Crowell Promoted to Office Supervisor for Traffic Division
- 03/2012: OIG Investigation of Payroll Fraud Scheme by Former DOT Traffic Division

¹³ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁴ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁵ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁶ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁷ E-Time Audit Trail Report revealed information was entered by username HC****.

¹⁸ E-Time Audit Trail Report revealed information was entered by username HC****.

Payroll Clerk which resulted in her and was referred to the State's Attorney's Office.

08/13/2012: First Documented Instance of Hazel Crowell Entering Unauthorized Monetary Compensation for Overtime Performed

01/15/2014: OIG Initiates Investigation

02/03/2014: Hazel Crowell is Suspended Pending Termination Hearing

02/25/2014: Hazel Crowell is Terminated from City Employment.

Interviews

All pertinent information obtained through these interviews is reflected in the report. However, the names of interviewees and the statements attributed to them have been omitted in accordance with the OIG's standard reporting policy to protect confidentiality.

Analysis

Compensatory Time versus Paid Overtime

Compensatory time is a budget neutral form of compensation for overtime performed as the employee receives time off on a later date for the hours performed. On the contrary, paid overtime has a negative effect on the budget since the employee is paid 1.5 to 2 times their hourly rate for overtime hours performed. This is in addition to their budgeted salary. By manipulating payroll data to receive paid overtime instead of authorized compensatory time, an immediate additional expense to the City is created.

According to the union agreement with the City of Baltimore, CUB employees are allowed to choose between compensatory time and paid overtime. Based on information gathered, Ms. Crowell's interpretation of this agreement is that, as a CUB member, she was entitled to choose between paid overtime and compensatory time at any point regardless of what was written on the overtime authorization slip. DOT Traffic Division management holds the opinion that employees have exercised their right to choose when they mark the selection of compensatory time or paid overtime on the authorization slip. The OIG agrees with the opinion of DOT Traffic Division management. DOT Traffic Division management's policy, albeit unwritten, is that an employee who wants to change the type of overtime compensation requested would do so by preparing and submitting a new overtime authorization for approval. This policy allows for employees to exercise their right to choose as well as creating reliable documentation and ensuring appropriate recordkeeping.

Previous Payroll Processing Deficiencies at DOT Traffic Division

DOT Traffic Division has had previous deficiencies in payroll processing and oversight. In 2012, a former payroll clerk was terminated after it was discovered that she had engaged in a payroll fraud scheme through which in excess of \$27,000 in unauthorized overtime was paid. This payroll clerk was able to perpetrate this scheme by entering her own payroll data with inadequate review and oversight. Ms. Crowell was the acting Office Supervisor at TMC during this period. It was discovered that Ms. Crowell and management did not adequately review payroll records specifically in regards to overtime.

Lack of Standard Operating Procedures (SOP) for Payroll Processing

DOT Traffic Division does not have written SOP pertaining to payroll processing. While DOT Traffic Division management expressed unwritten payroll policies for the Division, such policies were not followed by payroll staff. This is evidenced in the fact that Ms. Crowell processed her own payroll since April 2012.

Discussions with DOT HR revealed no payroll SOP on a Departmental level. The lack of SOP exposes the DOT to payroll fraud and abuse and reduces the Department's ability to prevent, detect, and/or correct incidents that may occur in a timely manner, if at all. This weakness is compounded by the fact that DOT comprises multiple Divisions processing payroll individually.

Ms. Crowell's ability to process her own payroll and improper coding of overtime in this case lasted roughly one year and four months before it was first detected and resulted in an immediate additional expense to the City of **\$13,725.71**. The other scheme perpetrated in 2012, in the same DOT Traffic Division office, lasted approximately one and a half years and exceeded \$27,000 in losses to the City.

Findings

1. Ms. Crowell improperly coded her own overtime hours in the payroll system resulting in her receipt of \$13,726 in unauthorized pay.
 - a. Between 08/06/2012 and 01/05/2014, Ms. Crowell recorded 367.5 hours of paid overtime when she was only authorized to receive compensatory time for the overtime hours she performed.
 - b. As a result of the improper coding of overtime, Ms. Crowell received \$13,725.71 in overtime pay.
2. During her pre-termination hearing, Ms. Crowell acknowledged that she entered overtime hours as paid overtime instead of compensatory time. However, Ms. Crowell stated that she did so because her understanding of her CUB union rights allowed her to choose between paid overtime and compensatory time.¹⁹
3. DOT Traffic Division payroll processing duties were not adequately separated.

¹⁹ This information was relayed to the OIG by personnel attending the pre-termination hearing.

- a. Proper segregation of duties would require that no employee should be able to process their own payroll.
 - b. Following the April 2012 termination of the DOT Traffic Division payroll clerk for payroll fraud, Ms. Crowell was assigned the duties of payroll processing which resulted in Ms. Crowell processing her own payroll.
 - c. After a new payroll clerk was hired in September 2012 Ms. Crowell relinquished the responsibilities for processing her leave, but continued to process her own overtime hours.
-
4. DOT Traffic Division maintained an inadequate level of oversight in regards to payroll processing.
 - a. Ms. Crowell was allowed to process her own payroll since April 2012.
 - b. Management review of payroll focuses on whether or not employees receive the correct amount of regular hours for each pay period.
 - c. There is a limited review of payroll in regards to overtime. Overtime hours are only reviewed if there is a significant amount of overtime for one period.
 - d. There is no review of payroll to ensure that employees are not entering their own time.
 - c. Only recently did management require a supervisor to initial any modifications/alterations made to an overtime authorization slip made by an employee.
 5. DOT has failed to implement SOP pertaining to payroll processing.
 - a. OIG recommended the implementation of SOP after completing an investigation into a similar payroll scheme within the same department.
 - b. Per DOT Human Resources Division, as of 2/28/2014, no such SOP has been implemented but a draft SOP was in process.
 - c. OIG personnel were provided with an incomplete draft of DOT Payroll Review report dated June 2012.

Violations

The OIG found the following violations of the Civil Service Commission/Department of Human Resources rules ("CSC/DHR") and Baltimore City Administrative Manual Policy stemming from its investigation:

Ms. Crowell

- 1) CSC/DHR Rule 56, Section (2), Subsection (I): *"That the employee has engaged in fraud, theft, misrepresentation of work performance, misappropriation of funds, unauthorized use of City property, obstruction of an official investigation, or any other act of dishonesty."*

Ms. Crowell violated this rule through her overt actions of improperly coding overtime hours performed to receive unauthorized monetary compensation instead of the compensatory time for which she was authorized between 08/06/2012 and 01/05/2014. Further, said improper coding resulted in disbursements totaling **\$13,725.71**.

- 2) CSC/DHR Rule 40, Part L: *“Employees shall conduct themselves at all times in a manner becoming a City employee and shall not bring scandal, expense, or annoyance upon the City through crime, conflict of interest, failure to pay, or other improper or notorious behavior.”*
-

Ms. Crowell violated this rule through her overt actions of improperly coding overtime hours performed to receive unauthorized monetary compensation instead of the compensatory time for which she was authorized between 08/06/2012 and 01/05/2014. Further, said improper coding resulted in disbursements totaling **\$13,725.71**.

- 3) CSC/DHR Rule 56, Section (2), Subsection (h): *“That the employee has committed acts while on or off duty which amount to conduct unbecoming to an employee of the City.”*
-

Ms. Crowell violated this rule through her overt actions of improperly coding overtime hours performed to receive unauthorized monetary compensation instead of the compensatory time for which she was authorized between 08/06/2012 and 01/05/2014. Further, said improper coding resulted in disbursements totaling **\$13,725.71**.

Department of Transportation

- 4) AM 205-10: *“Establishing internal controls in administering City payroll systems is a requirement of each agency/bureau head. Important control features for City agencies . . . include: Using a positive, documented system to determine presence or absence of employees; Assigning competent and trained staff as well as alternates to payroll record-keeping and reporting duties; Segregating Duties; Conducting at random intervals unannounced changes in duties of individuals assigned payroll functions; and Establishing oversight and authorization responsibilities at appropriate levels.”*
-

DOT has failed to establish internal controls or standard operating procedures relating to payroll processes. The OIG was unable to locate department-wide SOP regarding payroll within the DOT. Further, the OIG was not able to document any regular effort by management to verify that authorized and approved overtime agrees to overtime hours/compensatory leave entered in E-Time.

The OIG believes that appropriate payroll oversight was not in place at DOT Traffic Division. There is no control in place to ensure the payroll administrator’s and other employees’ overtime hours and leave that are entered in E-Time are accurate and legitimate. No member of management conducts routine checks of employees’ Overtime Authorization slips against overtime hours/compensatory leave entered in E-Time. The employees who are responsible for being the “approver” and “sign off” user roles in E-Time perform limited review of employees’ overtime hours and leave for large irregularities that might indicate fraudulent activity or erroneous entries.

RECOMMENDATIONS

One of the primary goals of the OIG is to identify areas of weakness or inefficiency that can be eliminated or improved. The OIG believes that a more purposeful effort to establish standard

operating procedures and increase controls over payroll processes will reduce the City's exposure to the risk of payroll fraud. As such, the OIG has made a series of recommendations that, if enacted, would reduce the opportunity for payroll fraud within DOT Traffic Division.

- 1) *The OIG recommends that DOT create written department-wide Standard Operating Procedures (SOP) regarding payroll.*
-

Payroll processing, an integral facet of daily operations for every large organization, is susceptible to fraud and abuse. A systematic process of verification and accountability will result in more frequent discovery of fraud and, on average, shorter periods of duration. By standardizing payroll processes across the Department, DOT can increase accountability and efficiency. The OIG understands that DOT is a multifaceted Department, and that each Division performs an array of unique and complex functions. However, this fact does not excuse DOT from providing a consistent framework for each Division to use. The application of consistent processes and oversight procedures would greatly enhance the ability of DOT central administration to review payroll accuracy via the verification efforts conducted at the Division level.

- 2) *The OIG recommends that the DOT Traffic Division perform payroll testing on a sample of overtime submitted each pay period.*
-

Payroll fraud will occur in any large organization. However, a regular verification of overtime authorization and approval through sample testing will result in more frequent discovery of fraud and in shorter periods of duration on average, and act as a deterrent. The OIG is available to assist the Traffic Division in the creation and implementation of analytics for sample testing. Such regular verification should include, but not be limited to, the following:

- a. Verification of Overtime Worked – Overtime hours should be approved by supervisors. Documentation of supervisory approval should be verified before overtime is recorded. Further, modifications to overtime should require additional supervisory approval.
- b. Change Tracking and Authorization – Personnel responsible for review of payroll should utilize the E-Time Timecard Audit Detail report to review changes that have been made to payroll after initial entry. All changes, with the exception of changes made to correct posting errors, should include proper documentation and authorization for the change.

- 3) *The OIG recommends that the DOT Traffic Division increase the accountability of payroll personnel and supervisors by creating and implementing a checklist to be completed during each review of payroll.*
-

A system of verification and accountability will result in more frequent discovery of fraud and in shorter periods of duration on average. This checklist should include declarative statements which the "approver" would attest to by initialing next to them. Such statements should include (but not be limited to):

1. I have reviewed and confirmed that no staff has entered (or modified) their own payroll data into the payroll system.
2. I have reviewed a sample of “__” overtime authorization slips and compared them to the overtime hours posted in the payroll system.
 - a. Overtime authorization slips were complete and included required signatures
 - b. There were no discrepancies between overtime authorizations and payroll reports
 - c. Discrepancies were noted and corrected