

State Compensation Insurance Fund

Investigations of Improper Activities by State Employees July 2008 Through December 2008

ALLEGATION I2007-0909 (REPORT I2009-1), APRIL 2009

State Compensation Insurance Fund's response as of April 2010

An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours that she did not work.

Finding: The employee failed to report 427 hours of absences.

During the 12-month period we reviewed, the employee submitted only eight monthly attendance reports instead of 12, and none of those reports were accurate. By comparing what the employee stated on the reports with other information about her actual attendance—including building access logs, telephone records, and computer activity records—we determined that the employee was absent for full or partial days on which the employee reported that she was present. These absences occurred in February through June, and in August, September, and December 2007. Moreover, by not submitting attendance reports for January, July, October, and November 2007, she received credit for perfect attendance for two months even though State Fund records described above show that the employee was absent. For the remaining two months, the same records indicate that the hours charged against the employee's leave balances were not sufficient to cover her absences.

In addition, the employee's supervisor exerted lax or nonexistent oversight over her attendance reporting, which raises concerns about the attendance reporting of other employees in the unit. Furthermore, when the supervisor discovered in March 2008 that the employee had not submitted an attendance report for November 2007, the supervisor attempted to resolve the matter by submitting a report for processing. However, when she did so, the supervisor added to the inaccurate reporting because the document stated that the employee was at work on two days that other records indicate she was absent. Further, the supervisor failed to capture eight hours of absences resulting from the employee arriving late or leaving early during the month.

To address the time and attendance abuse by the employee and potential abuse by other employees, we recommended State Fund do the following:

- Fully account for the employee's time by charging her leave balances for the hours she did not work or by seeking reimbursement from the employee for the wages she did not earn.
- Take appropriate disciplinary action for the employee's time and attendance abuse and the lax oversight by her supervisor.

Investigative Highlight . . .

An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours that she did not work.

- Provide training to the employee and her supervisor on proper time reporting and supervisory requirements.
- Examine the accuracy of the time and attendance reporting by other employees who report to the same supervisor.
- Establish a process for increased scrutiny of the time and attendance reporting by all members of the employee's unit to ensure that State Fund resolves the reporting abuses discovered during this investigation.

State Fund's Action: Partial corrective action taken.

State Fund reported that it dismissed the employee in June 2009 and demoted the supervisor in July 2009. However, it indicated that the employee appealed her dismissal and the supervisor appealed her demotion. State Fund also reported that it would seek reimbursement from the employee for the wages she did not earn. Further, State Fund identified eight other employees who work for the supervisor, reviewed records establishing their attendance, and found no discrepancies in the employees' time reporting. Finally, in October 2009, State Fund notified us that it began requiring its supervisors to complete a weekly attendance report to ensure that employees' approved absences are properly recorded, tracked, and monitored.