

DEPARTMENT OF HUMAN SERVICES

**SPECIAL REVIEW OF AN EMPLOYEE'S
RELOCATION EXPENSE REIMBURSEMENTS**

JANUARY 1992

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

92-2

SUMMARY

State of Minnesota

Office of the Legislative Auditor

Centennial Office Building • St. Paul, MN 55155

612/296-4708

DEPARTMENT OF HUMAN SERVICES

SPECIAL REVIEW OF AN EMPLOYEE'S RELOCATION EXPENSE REIMBURSEMENTS

Public Release Date: January 10, 1992

No. 92-2

OBJECTIVES:

We conducted a special review of relocation expense claims of Nannette Anderson, an employee of the Department of Human Services. We initiated our review of alleged improprieties upon receiving information from the Department of Finance. Our review addressed the following question:

- Did Nannette Anderson falsify her travel expense claims for mileage reimbursements from Rochester to St. Paul?

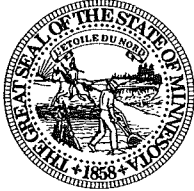
CONCLUSIONS:

We found that Nannette Anderson submitted false relocation travel expense claims for certain days in October and November, 1991. Ms. Anderson claimed commute mileage on a daily basis between Rochester, Minnesota and St. Paul for days that she admitted that she stayed in St. Paul.

The maximum amount in question is \$1,816 claimed as mileage reimbursements. Ms. Anderson claimed \$930 from September 30 to October 29 for commute miles, although she testified that she occasionally stayed at a motel in St. Paul. She claimed \$886 for commute mileage from October 30 to November 27 when she stayed at a friend's home for two to three nights a week. According to Ms. Anderson's estimate, she claimed mileage reimbursement of \$886 for which she was not eligible.

Pursuant to Minn. Stat. Section 3.975, this report shall be referred to the Attorney General for resolution.

Contact the Financial Audit Division for additional information.
(612) 296-1730



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Ann Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Natalie Haas Steffen, Commissioner
Department of Human Services

Audit Scope

We conducted a special review of the relocation expense claims of Nannette Anderson, an employee of the Department of Human Services. The Department of Finance, in the course of reviewing expense claims for Ms. Anderson, suspected that she had filed false mileage claims for commuting from her original work station in Rochester, Minnesota to a new work station in St. Paul, Minnesota. These alleged improprieties were brought to the attention of the Legislative Auditor on December 9, 1991.

Our review addressed the following question:

- Did Nannette Anderson, an employee of the Department of Human Services, falsify her travel expense claims for mileage reimbursements from Rochester to St. Paul?

Audit Techniques

We reviewed documentation supporting the relocation travel expense claims submitted by Nannette Anderson for the period September to November 1991. We obtained the documents from the Department of Finance. We took testimony under oath from employees of the Department of Human Services including Nannette Anderson and her supervisors.

Background

The Department of Human Services required Ms. Nannette Anderson to relocate her permanent work location from Rochester, Minnesota, to St. Paul on September 11, 1991. According to the MAPE agreement, the department agreed to reimburse Ms. Anderson up to \$20,000 for relocation expenses. Of this amount, \$7,300 was for travel expenses related to the relocation, including motel, meal and mileage reimbursements.

Employees eligible for relocation expenses are considered to be in travel status for a maximum of 90 calendar days. During this period, employees are authorized standard travel expenses to return to their original work station once a week while being lodged at their new station. Or, by mutual agreement, the department may authorize the employee to travel between the original work station and new work station on a daily basis.

Nannette Anderson claimed \$3,159 for relocation travel expenses from September 11, 1991 to November 27, 1991. Initially, Ms. Anderson's expense reports show she stayed in St. Paul and claimed motel expenses, meal reimbursements, and local mileage. She also claimed mileage reimbursement to return to Rochester on weekends. However, beginning on September 30, she began claiming mileage for daily commuting between Rochester and St. Paul. She claimed \$1,816 in mileage from September 30 to November 27, 1991, for commuting between Rochester and St. Paul.

Nannette Anderson testified that she did not commute between Rochester and St. Paul on all of the days for which she claimed mileage reimbursement on her expense reports. Instead, on some days in October and November she stayed in St. Paul at either a motel or at the home of another DHS employee, Ms. Mary Ann Wiese. Although she testified that she stayed most of the time at the home of Ms. Wiese, on occasion she also stayed at a motel. She did not maintain receipts for these expenses. She testified that she stayed at the Wiese home in St. Paul two to three days weekly from October 30 to November 27, 1991. Generally, she would return to Rochester one or two times during the work week and on the weekends. Although she claimed reimbursement for commuting on the days she actually stayed in St. Paul, Ms. Anderson did not claim reimbursement for motel expenses or lodging paid to Ms. Wiese. Ms. Anderson testified that she paid Ms. Wiese \$100 a week. Although hotel and motel expenses would be allowable reimbursements under state travel regulations; rental at the Wiese home would not be allowable.

Mary Ann Wiese testified that Ms. Anderson did stay at her home during the week for \$100 rent. Ms. Wiese cannot attest to the specific days or dates that Ms. Anderson stayed at her home, because Ms. Wiese is on temporary work assignment in Rochester. Ms. Wiese told us that she returns to her home in St. Paul on weekends. Ms. Wiese recalled two nights that both she and Ms. Anderson stayed at her home in St. Paul.

Nannette Anderson's supervisors approved her relocation travel expense claims including the daily commute mileage between Rochester and St. Paul. The supervisors were not aware that Ms. Anderson was actually staying in St. Paul on some days in October and November.


Representative Ann Rest, Chair
Members of the Legislative Audit Commission
Natalie Haas Steffen, Commissioner
Page 3


Conclusion

Nannette Anderson submitted false relocation travel expense claims for certain days in October and November 1991. Ms. Anderson claimed commute mileage on a daily basis between Rochester, Minnesota and St. Paul, Minnesota for days that she admitted that she stayed in St. Paul. The maximum amount in question is \$1,816 claimed as mileage reimbursements. Ms. Anderson claimed \$930 from September 30 to October 29 for commute miles although she testified that she occasionally stayed at a motel in St. Paul. She claimed \$886 for commute mileage from October 30 to November 27 when she stayed at the Wiese home for two to three nights a week. On January 6, 1992 Ms. Anderson provided us with a list which attempted to reconstruct her travel itinerary for the relocation period. According to Ms. Anderson's estimate, she claimed mileage reimbursement from September 30 to November 27 totalling \$886 for which she was not eligible.

Pursuant to Minn. Stat. Section 3.975, this report shall be referred to the Attorney General.

This report is intended for the information of the Legislative Audit Commission and the Department of Human Services. This restriction is not intended to limit the distribution of this report, which was released as a public document on January 10, 1992.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

REPORT SIGNED ON: January 7, 1992