

**DEPARTMENT OF HUMAN SERVICES**

**SPECIAL REVIEW OF AN EMPLOYEE'S TRAVEL  
REIMBURSEMENTS, USE OF STATE VEHICLES,  
AND PAYROLL RECORDS**

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**JUNE 1992**

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**Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota**



# **DEPARTMENT OF HUMAN SERVICES**

## **SPECIAL REVIEW OF AN EMPLOYEE'S TRAVEL REIMBURSEMENTS, USE OF STATE VEHICLES, AND PAYROLL RECORDS**

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No. 92-33

### **OBJECTIVES:**

We conducted a special review of travel reimbursements, use of state vehicles, and payroll records of Cynthia Williams, an employee of the Department of Human Services. We initiated our review after receiving allegations that Ms. Williams was using state resources for personal activities. Our review addressed the following questions:

- Did Ms. Williams claim inappropriate travel, including luncheon reimbursements?
- Did Ms. Williams use state resources including state time and vehicles to conduct personal activities?
- Did Ms. Williams improperly record her time worked and leave taken?

### **CONCLUSIONS:**

We found a pattern of errors on Ms. Williams expense claims and time reports. We found that Ms. Williams falsely claimed reimbursement for several meals. We also noted instances when Ms. Williams had driven excessive miles with state vehicles. We found that Ms. Williams was not properly supervised. Despite having to correct many mistakes on her biweekly time reports, her supervisor trusted her on other time and expense reporting matters. She was given a great deal of freedom to design her own work and travel schedule. She was allowed to use a state vehicle, without having to explain excessive mileage. Her expense reports went unchallenged, despite claiming meal reimbursements for trips she had not taken.

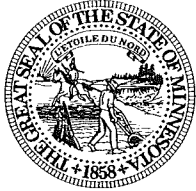
Because of the pattern of errors and false claims we found, we are also concerned about claims that cannot be verified. For example, we do not have independent evidence to determine whether Ms. Williams worked sufficient hours during each pay period. Also, we could not verify whether the amounts she claimed for meal reimbursements were proper.

### **RECOMMENDATIONS:**

- The department should recover the cost of false meal claims from Ms. Williams. It should initiate any necessary disciplinary action as a result of the false claims.
- The department should establish an effective method to control and manage the working hours of employees such as Ms. Williams.
- The department should instruct its employees on the proper usage of state vehicles.

Contact the Financial Audit Division for additional information.  
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Department of Human Services

## **Audit Scope**

We conducted a special review of travel reimbursements, use of state vehicles, and payroll records for Ms. Cynthia Williams. Ms. Williams is the cost of care program supervisor of the Reimbursement Division. Ms. Williams supervises 21 employees including collections representatives and the reimbursement field officers. Ms. Williams reports to the director of the Reimbursement Division.

We conducted the review after receiving allegations that Ms. Williams was using state resources for personal activities. It was alleged that she was using state vehicles and field office telephones for conducting personal activities. In addition, it was alleged that she was conducting personal activities on state paid time and that she was not working the hours reported on state payroll records. During our investigation, we also noted several questionable meal reimbursements.

Our review addressed the following questions:

- Did Ms. Williams claim inappropriate travel, including luncheon reimbursements?
- Did Ms. Williams use state resources including state time and vehicles to conduct personal activities?
- Did Ms. Williams improperly record her time worked and leave taken?

## **Audit Techniques**

We reviewed documentation supporting travel claims, use of state vehicles, and payroll records in the department. The department also investigated Ms. Williams's use of state telephones. We took testimony under oath from Ms. Williams, her supervisor and other division staff. We also interviewed other staff in the department.

The department investigated allegations that Ms. Williams had used state telephones for personal activities. It found no improper telephone charges.

## **Background**

The Department of Human Services employed Ms. Cynthia Williams as the cost of care program supervisor on April 10, 1991. Ms. Williams is responsible to supervise the work conducted by staff located in the central office and at the field offices. Ms. Williams travels to the field offices located at the regional treatment centers to review the work performed by these staff.

Ms. Williams' employee benefits, including work hours and overtime, are governed by the middle management association (MMA) agreement. Generally, supervisors in MMA are required to work 8 hours daily and 80 hours a pay period. However, MMA allows certain supervisors to adjust their daily schedule to accommodate their workload. Balancing of the work schedule requires the approval of the employee's supervisor. Overtime is also allowed between pay periods with supervisory approval.

Ms. Williams was reimbursed \$446.40 for travel claims submitted from April 10, 1991 to December 31, 1991. She was reimbursed \$308.47 for meals, mostly luncheons. Ms. Williams used state vehicles assigned to the Reimbursement Division for trips to the field offices throughout the state. During these 8 1/2 months, we counted 18 trips that Ms. Williams made to regional treatment centers located outside the metropolitan area. Ms. Williams usually made a one-day trip to each field office. Her daily roundtrips ranged from 198 miles to St. Peter to 394 miles to Fergus Falls. Ms. Williams was in travel status for 26 of the 183 work days that she was employed by the department during calendar year 1991.

## **Conclusions**

We found a pattern of errors on Ms. Williams expense claims and time reports. The errors we found on her expense claims were in addition to other errors previously detected by the department. We found that Ms. Williams falsely claimed reimbursement for several meals. We also noted instances when Ms. Williams had driven excessive miles with state vehicles. Sometimes she traveled indirect routes, and on two occasions she traveled additional miles to stay with relatives.

The reasons for the errors are unclear. Ms. Williams told us that she sometimes got confused after revising her work schedule. She claimed to travel frequently and that she worked irregular hours to accommodate her travel schedule. She explained that the errors occurred when she prepared her time and expense reports based on her original schedule, rather than her revised schedule. However, our review shows that Ms. Williams spent the

majority of her time working in the department's central office. We also believe that her work activities were amenable to working primarily a normal 40 hour work week. Nonetheless, the department did not hold her to a regular work schedule.

Ms. Williams was careless in preparing her time and expense reports. She failed to devote the proper attention to the details of her reports. The pattern of errors on her expense reports raises the suspicion that her actions resulted from a conscious effort, rather than carelessness. However, that suspicion is diminished by the small dollar amounts involved.

We found that Ms. Williams was not properly supervised. Despite having to correct many mistakes on her biweekly time reports, her supervisor trusted her on other time and expense reporting matters. She was given a great deal of freedom to design her own work and travel schedule. She was allowed to use a state vehicle, without having to explain excessive mileage. Her expense reports went unchallenged, despite claiming meal reimbursements for trips she had not taken.

Because of the pattern of errors and false claims we found, we are also concerned about claims that cannot be verified. For example, we do not have independent evidence to determine whether Ms. Williams worked sufficient hours during each pay period. Also, we could not verify whether the amounts she claimed for meal reimbursements were proper.

### **Travel Reimbursements**

During the six month period from July 1 to December 31, 1991, Ms. Williams claimed at least one false meal reimbursement on each of her travel expense reports. Her five expense reports during this period contained false claims for seven luncheons totaling \$46.90.

- Expense report prepared on August 5, 1991 claimed five meals for a total of \$34.12. Two claims, totaling \$13.42, for luncheons on July 1 and 2 at Willmar were false.
- Expense report prepared on August 30, 1991 claimed five meals for a total of \$44.39. A \$6.89 claim for a luncheon on August 15 at Fergus Falls was false.
- Expense report prepared on September 5, 1991 claimed three meals for a total of \$20.39. A \$6.59 claim for a luncheon on September 5 at Brainerd was false.
- Expense report prepared on November 5, 1991 claimed three meals for a total of \$31.58. A \$7.00 claim for a luncheon on October 23 at Fergus Falls was false.

- Expense report prepared on December 23, 1991 claimed five meals for a total of \$44.20. A \$7.00 claim for a luncheon on December 13 at Cambridge and a \$6.00 claim for a luncheon at Faribault were false.

We know the claims for meals are false because we know Ms. Williams was not at the locations on the dates she claimed the luncheon reimbursements. For example, on October 23 she attended a training class in St. Paul, and did not travel to Fergus Falls as indicated on her expense report.

In her original sworn statement to us, Ms. Williams testified that she had traveled to the field offices as reported on her expense reports. She later recanted her original testimony and admitted that she had not traveled to the field offices for the seven days on which her luncheon claims were in question. She told us that she had originally intended to visit the field offices on those days, but had revised her schedule. She explained that the errors had occurred because she prepared the expense reports from her original schedule, not the revised one. She also told us that she traveled frequently and was increasingly responsible to assume additional office duties. Thus, she found it difficult to keep track of her travel activities.

Several factors make it difficult to accept Ms. Williams' explanation. During this time period, she usually prepared monthly expense reports which contained only two to four legitimate meal reimbursements. Each report also contained at least one false claim. On the final occasion, she prepared the expense report only three days after cancelling a trip to Faribault. Yet, she claimed reimbursement for a luncheon at Faribault. Also, three of the claims were for odd dollar amounts. For example, she claimed \$6.89 on August 15 and \$6.59 on September 5. We could not determine how Ms. Williams arrived at these amounts.

#### *Recommendation*

- *The department must recover the overpayment resulting from the false meal claims from Ms. Williams. It should initiate any necessary disciplinary action, as a result of the false claims.*

#### **Use of State Time and Payroll Records**

Because of the many errors and changes on Ms. Williams' timesheets and leave records, we could not determine if she properly worked the hours for which she was paid. The department allowed Ms. Williams to balance her daily work hours to accommodate her work activities. Ms. Williams testified that she worked more than eight hours on the trips to the field offices, and that she used these extra hours to balance her work schedule. However, she did not record her balancing hours. Instead, she reported an eight hour work day on her biweekly timesheets. She stated that she worked the required number of hours in a pay period to support her total biweekly hours reported on her timesheets.



We reviewed timesheets and sick and annual leave requests for 22 pay periods from April 1991 to February 1992. Many timesheets were changed or possibly had contained errors. We noted several timesheets which had been changed because Ms. Williams failed to record leave or holiday time taken. She had erroneously recorded leave or floating holiday time as regular hours. We also noted cases where Ms. Williams was confused about the state's leave accrual provisions. A division secretary was responsible for monitoring time worked and leave taken by division employees. The division director was concerned about the mistakes made by Ms. Williams on her timesheets, leave requests, and expense reports. He testified that he had talked to her about the need for accuracy, and had instructed her to review the employee handbook. He also asked the secretary to monitor Ms. Williams' timesheets and leave records more closely.

Ms. Williams does not record her actual hours worked on her biweekly timesheets. Although Ms. Williams is scheduled to work from 7:30 a.m. to 4:00 p.m. daily, she is allowed to vary the hours she actually works. The division director explained to us that he authorizes compensatory time for employees on an "honor system." He trusts the employees to keep track of the compensatory time they earn and use.

#### *Recommendation*

- *The department must establish an effective method to control and manage the working hours of employees such as Ms. Williams. It must ensure that employees work the necessary hours to earn their payroll and that leave, compensatory time, and regular hours are recorded properly.*

#### **Use of State Vehicles**

We found that Ms. Williams sometimes drove state vehicles excessive miles. On two occasions she used a state vehicle to drive to Duluth to visit relatives when she was traveling from Brainerd to Moose Lake. Also she traveled an indirect route to Willmar, resulting in an extra 100 miles roundtrip.

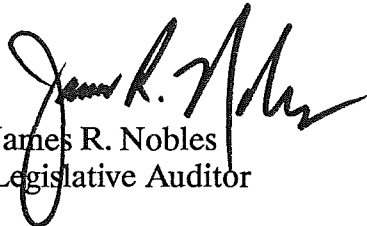
Ms. Williams admitted that on October 14, 1991 and January 6, 1992, she drove a state vehicle from Brainerd to Duluth to visit her relatives. She had been working at the Brainerd field office and was traveling to the Moose Lake field office on both occasions. She justified the side trip to Duluth as a means to save the state lodging costs for the evening. However, her supervisor was unaware of the trips to Duluth and had not approved them.

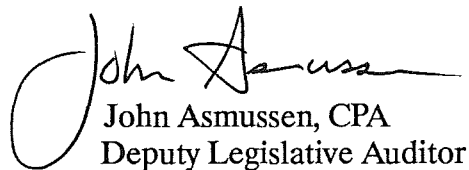
Ms. Williams explained that she took the indirect route to Willmar so that she could drive on the interstate highway. She felt that the interstate route was faster due to a higher speed-limit and avoiding the many stops on the most direct route. We also found that other division employees traveled the same indirect route to Willmar. Ms. Williams stated that she was not told to travel the most direct routes. She also drove extra miles by taking vehicles home the night before traveling to the field offices. This accounts for over 60 extra miles on roundtrips. We found that other division staff also incurred extra miles by taking vehicles home overnight.

*Recommendation*

- *The department must instruct its employees on the proper usage of state vehicles. Employees should be prohibited from using state vehicles for personal activities. Also, employees should be instructed to travel the most direct route, unless management approves an alternate route.*

This report is intended for the information of the Legislative Audit Commission and management of 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 June 12, 1992.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

Report Signed On: June 10, 1992