

**Department of Corrections
Overtime and Payroll Practices**

**Investigative Audit
October 1, 2000 through June 30, 2002**

**OPA Report No. 03-03
May 2003**



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EXECUTIVE SUMMARY

OPA Report No. 03-03

May 2003

Department of Corrections Investigative Audit on Payroll and Overtime Practices October 1, 2000 through June 30, 2002

The Office of the Public Auditor (OPA) initiated an investigative audit into the Department of Corrections' (DOC) payroll and overtime practices in June 2002 on the basis of a series of OPA Hotline tips that there were improper payroll activities at DOC. Our audit focused specifically on payroll and overtime practices and the internal controls associated with them. The scope of the audit covered the 21 months from October 1, 2000 through June 30, 2002.

An interim report issued in November 2002, alerted the Attorney General, the Legislature, and the Governor to possible continuing violations of law resulting in the expenditure of as much as **\$4 million in unaccounted work hours**.

Our audit disclosed significant discrepancies between the hours reported on DOC employee time sheets and the hours worked as documented in the Central Control Blotters. We found that nearly all DOC officers did not report or secure from duty at Central Control as required by DOC Unit Directive ACF 2000-04. Our testing of DOC employee time sheets for two pay periods in 2002 revealed **11,223 hours reported on time sheets that could not be verified**. The dollar value of the unaccounted hours is \$176,846. If these unaccounted hours reflect the conditions during the 46 pay periods within our scope, the dollar value of unaccounted hours could be as high as \$4,063,272.

We found that employees were receiving two to three times the amount of their base annual salary. Employees not only received overtime pay, but also night differential, hazardous, and when available, holiday pay. For example, a Corrections Supervisor III with a base salary of \$33,259 was paid \$102,546 in 2002 and \$75,729 in 2001. A Security Guard with a base salary of \$31,408 was paid \$81,636 in 2002, \$96,306 in 2001 and \$90,407 in 2000. Payroll for 216 employees in 2002 amounted to \$9,889,901 for an average salary of \$45,787 and \$10,461,099 for 233 employees in 2001 for an average salary of \$44,897.

The findings indicate a serious disregard and neglect of fiduciary duties by DOC management. There was a complete breakdown of internal controls over payroll timekeeping in the areas of regular hours, overtime, holiday pay, night differential, and hazardous pay. Factors that may have led to the breakdown of controls include:

- Lack of a reliable timekeeping system. DOC utilizes the Central Control Blotters, a voluminous and cumbersome document whose main purpose is to track operational activities at the correctional and detention facilities.
- No objective verification of hours claimed on employees' time sheets. Supervisors rely on personal recollections in verifying the correct number of hours worked by each employee under their authority. In other instances the Facility Superintendent or Correction Officer Supervisors signed time sheets for employees they did not directly supervise.

- Lack of management of payroll. We found no evidence that DOC management reviewed reports of payroll information, monitored overtime costs, or performed budget-to-actual comparisons.

Our audit also found that a number of DOC employees are consistently incurring overtime in excess of the regularly scheduled 12 hours per day and we found little to no evidence that management took any steps to control overtime costs. Overtime hours of 153,856 were charged in FY 2001 and 88,323 hours were charged for the nine months ending June 30, 2002. In 2001 a Detention Facility Guard, a Security Guard, and a Corrections Officer III charged 2,966, 2,816, and 2,079 overtime hours, respectively. For the nine months ending June 30, 2002, a Detention Facility Guard and a Security Guard had already charged 2,311 and 1,445 overtime hours, respectively.

DOC contends that overtime hours were mandated by Executive Orders 96-35 and 2000-06. Management, in particular the Facility Superintendent, believed the E.O.'s relieved them of responsibility for controlling or justifying overtime. References to E.O.'s 96-35 and 2000-06 were preprinted on the time sheets. Upon the issuance of E.O. 2000-06, previously exempted employees were **paid retroactively for overtime** claimed during a time when overtime was prohibited to them.

In several instances close family members were employed at DOC in possible violation of the nepotism rule. In two cases, a supervisor approved the time sheet of his/her sibling. The Acting Director approved the overtime requests of his stepson.

Although many people were in a position to know that abuses were taking place at DOC with respect to overtime and hours worked, we found little evidence that anyone questioned the authority of the Facility Superintendent, certain supervisors, and other personnel to incur apparently excessive overtime. A large number of people were responsible for the breakdown of controls that appear to have resulted in significant indications of possible fraud, waste and abuse of government funds.

Based on our findings we recommend:

- The Director of DOC implement a reliable and independent timekeeping system and improve on the overall control environment. See details in the report.
- The Governor and the Legislature thoroughly scrutinize any request for a supplemental appropriation to pay claimed past due overtime.
- The Legislature enact legislation discontinuing the practice of allowing non-base pay, which includes overtime and other supplementary pay, to be included in the three highest years for the calculation of a retiree's annuity for members of the Defined Benefit Plan.
- The Attorney General determine if any of the activities constitute illegal acts and conduct a further investigation into overtime activities at DOC.

The new DOC Director generally concurred with our findings and recommendations.



Doris Flores Brooks, CPA
Public Auditor



Department of Corrections
Investigative Audit of Payroll and Overtime Practices

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Introduction

In June 2002, the Office of the Public Auditor (OPA) initiated an investigative audit into the Department of Corrections' (DOC) payroll and overtime practices after receiving a series of allegations from its OPA Hotline that there were improper payroll activities at DOC.

Jurisdiction to Investigate

The Public Auditor has the authority to conduct surprise/unannounced audits of any Government of Guam agency. All agencies are required to surrender such records as are determined necessary by the Public Auditor for the conduct of surprise/unannounced audits.¹ Agency is defined to mean "Government of Guam line agencies; autonomous or semi-autonomous, boards, bureaus, and commissions."²

Background Information

The Department of Corrections is established within the Executive Branch of the Government of Guam through 5 GCA §3113. DOC maintains custody of adjudicated adult offenders and those awaiting judicial disposition in a correctional setting and provides rehabilitative programs, so that upon release of such prisoners, they may become useful citizens. DOC is mandated to protect the public from the destructive action of law offenders through control and rehabilitation. This duty is carried out by more than 200 employees that staff the various divisions within DOC.

The various divisions are the Director's Office, Adult Correctional Facility, Guam Detention Facility, Parole Services Division, Forensic Unit, Casework and Counseling Services Division, Fiscal Office, and the Guam Parole Board. The organizational chart and summary of responsibilities for these divisions can be found in **Appendix A**.

The following table summarizes the inmate population and staff size since 1997.

Table 1: Inmate Population and Staff Size

	1997	1998	1999	2000	2001	2002
Inmate Population	325	627	595	722	612	660*
Staff Size	239	239	228	212	213	201

*as of 7/1/02

¹ 1 GCA §1919

² 1 GCA §1917

DOC is staffed primarily by Corrections Officers and Guards. The following table shows the number of officers and guards assigned by fiscal year:

Table 2: Total DOC Staff

<i>FY</i>	<i>Assigned Officers Sept 30</i>	<i>Assigned Civilian Staff</i>	<i>Total DOC Staff</i>
1997	159	80	239
1998	187	52	239
1999	182	46	228
2000	167	45	212
2001	160	53	213
2002*	166	35	201

*as of May 30, 2002

Payroll Policies

DOC's current payroll system is administered by the Department of Administration and follows the Personnel Rules and Regulations promulgated by the DOA.³ DOC employees prepare and submit their time sheets that are required to have four signatures: (1) the employee, who provides the hours worked; (2) the supervisor, who approves and attests to the hours worked by employees; (3) the timekeeper, who computes pay for regular, overtime, holiday, night differential, hazardous, etc. and inputs the payroll data into the Department of Administration's financial management system; and (4) the certifying officer, who is responsible for verifying the availability of funds. DOC employees are required to submit their time sheets three days before the end of the pay period, thus, necessitating the employee to estimate work hours for the last three days of each pay period. If the actual hours the employee works are different from the hours stated on the time sheet, an adjustment is made prior to payday.

Overtime and Premium Pay

The Fair Labor Standards Act (FLSA) (29 USC §207(a)) requires employees engaged in law enforcement activities with 14-consecutive-day work periods⁴ to receive one and a half times their regular rate of pay for hours worked in excess of 86 during the two week period.

Since 1998, DOC operated its two platoons on 12-hour shifts with three regular days off. These shifts started at either noon or midnight. The regularly scheduled workweek was 48 hours – 43 regular hours and 5 overtime hours.

Pursuant to Executive Order 98-33, and beginning December 21, 1998, overtime was not allowed for employees in supervisory positions. Subsequently, Executive Order 2000-06, signed on February 15, 2000, authorized the exempt positions, i.e.,

³ Adopted and promulgated by EO 96-24, signed on October 1, 1996.

⁴ The FLSA does not require the work periods to be approved by the Wage and Hour Division. It is required that there be a notation on the payroll records which shows the work period for each employee, and indicates both the length of that period and the starting time.

supervisory positions, to be compensated for overtime worked from December 21, 1998. This retroactive authorization was to continue until the Chinese illegal alien detention issue⁵ was resolved or until there were adequate corrections officers to provide the minimum personnel needed to ensure the safety and security of the corrections institution and the community.

Seven months later, Executive Order 2002-21, signed September 30, 2002, rescinded Executive Order 2000-06 and ceased overtime payments for supervisory uniformed personnel at DOC because the number of Chinese illegal aliens had decreased substantially.

We observed during our scope period that all DOC personnel, including the Director, have received holiday pay of double their hourly rate of pay and hazardous and night differential pay, each calculated at 10 percent of their regular wage.

Appropriations and Expenditures

DOC receives an annual appropriation from the General Fund and funding from other sources. The following table summarizes the total amounts appropriated to DOC from the General Fund since 1997, revenues from the DOC Inmates Revolving Fund, and the related expenditures according to the General Purpose Financial Statements.

Table 3: DOC General Fund & Inmate Revolving Fund

	1997	1998	1999	2000	2001
General Fund Appropriation	15,165,590	15,031,656	17,187,760	13,896,509	13,446,116
DOC Revolving Fund Revenues	1,008,076	2,212,865	3,675,458	2,486,982	3,624,030
Total Funds Available	16,173,666	17,244,521	20,863,218	16,383,491	17,070,146
General Fund Expenditures	15,167,353	15,255,661	16,630,105	13,976,940	13,335,413
DOC Revolving Fund Expenditures	742,288	2,808,763	3,066,305	2,862,628	3,051,800
Total Expenditures	15,909,641	18,064,424	19,696,410	16,839,568	16,387,213

Table 4 summarizes the amounts appropriated, the amounts allotted, and the amounts expended for DOC payroll.

⁵ During the late 1990 and early 2000, there had been an increase in illegal Chinese Immigrants coming to Guam, who were detained in the DOC facilities.

Table 4: Appropriations and Expenditures related to various DOC funding sources

	1997	1998	1999	2000	2001
General Fund					
Appropriations	11,574,574.00	12,538,934.00	13,475,447.00	10,310,539.00	11,040,642.00
Allotment	11,574,574.00	12,538,934.00	13,627,165.54	-	-
Actual Expenditures	11,561,034.76	12,507,795.06	13,476,779.46	12,106,026.21	11,144,545.07
Federal Fund					
Budgeted	-	17,319.00	-	5,953.00	-
Actual Expenditures	-	17,319.00	-	23,116.78	-
Safe Streets Fund					
Budgeted	196,000.00	111,000.00	54,207.00	23,617.00	58,570.00
Actual Expenditures	-	48,226.00	24,637.00	656,922.39	-
Paka Fund					
Budgeted	-	34,000.00	-	-	-
Actual Expenditures	-	-	-	-	8,308.44
Overtime Fund					
Budgeted	-	-	-	965,273.00	-
Actual Expenditures	-	-	-	589,703.15	-
DOC Inmates Revolving Fund					
Budgeted	-	-	-	-	1,028,380.45
Actual Expenditures	-	-	-	-	1,551,952.59

Objectives

The following allegations resulted from the tips received by the OPA:

- Allegation 1:** Discrepancies exist between hours reported on time sheets for some DOC employees and the hours substantiated by the records of entry and exit logs to and from the prison facilities.
- Allegation 2:** The Management Control system over the DOC payroll function is inadequate.
- Allegation 3:** Preferential treatment exists in the payment of accumulated overtime.

The objective of our investigation was to gather and analyze evidence to form a conclusion as to whether the evidence supports or does not support the allegations.

Scope and Methodology

The scope of our audit was limited to the DOC payroll system for the 21-months from October 1, 2000, through June 30, 2002.

Our methodology included gaining an understanding of policies and procedures and laws and regulations governing the DOC payroll system. Management controls over payroll were assessed through independent observations, tests, and interviews of selected DOC personnel. Time sheets, daily correctional facility blotters (blotters), and post logbooks were obtained and reviewed. Other payroll data were obtained, compiled, and analyzed.

Prior Audit Coverage

OPA Interim Report on DOC

The Office of the Public Auditor issued an interim report previewing the findings from this report in November 2002. The interim report was issued to alert the Guam Legislature, the Governor of Guam and the Attorney General of possible violations of law resulting from unsubstantiated hours worked and overtime paid amounting to as *much as \$4 million in unsubstantiated hours worked and paid*. The duty to issue this alert is pursuant to 1 GCA §1909(h) and §1918 and the *Generally Accepted Government Auditing Standards*.

Single Audit Reports

In the Single Audit Reports for FY 2000 and 2001 issued by Deloitte Touche Tohmatsu, findings 2000-85 and 2001-08 identified that the Government of Guam received \$4,440,509 in federal reimbursements for FY1999 costs through Grant INS-GUAM-99-1. Of the amounts received, \$3,411,545 were for DOC costs for services and support related to the detention and care of Chinese migrants. DOC expended \$664,282 of the reimbursement – \$545,386 in FY2000 and \$118,896 in FY2001 while the rest was expended for other operations, mainly for the Office of the Governor.

In another instance, the Government of Guam received reimbursements of \$3,446,725 for FY2000 through Grant INS-GUAM-99-1A for costs associated with the detention and care of the Chinese migrants. DOC did not utilize any of the amounts from the second reimbursement; instead expenditures were reported by various agencies including the Office of the Governor, Guam Police Department, Department of Administration and Guam Fire Department. Questioned costs of \$3,506,557 and \$3,881,759 were reported in FY 2000 and 2001, respectively.

Department of Justice Report on Environmental Health and Safety Survey of Adult Correctional Facility (ACF), Federal Detention Facility (FDF) and Guam Detention Facility (GDF)

The Department of Justice issued a report dated May 2002, regarding the status of compliance with a 1991 settlement agreement and subsequent 1998 stipulated court order mandating improvements in fire and life safety and health and sanitary conditions at the ACF and GDF. The report concludes that the corrective actions noted in the settlement agreement have not been fully implemented.

Reiterative findings include little improvement in training and fire safety programs, sanitation policies, and food service. The report also indicated serious overcrowding, particularly at the GDF, where personnel are “stretched to the limits of their ability” to control the functioning of the facility. During our review of the GDF blotters, we found a note that documented the closing of the GDF. FDF and GDF have now been consolidated into the Hagåtña Detention Facility (HDF).

Civil Service Commission (CSC) Post Audit Investigation on Hazardous/Environmental Duty Pay Differential, CSC No. 2001-170

The Civil Service Commission issued a post-audit review in February 2001 on the Hazardous/Environmental Duty Pay Differential of personnel within DOC and found that all employees, inclusive of the Director and Deputy Director, were being compensated with the 10% hazardous pay for all work hours.

The CSC recommended that (1) DOC cease the practice of compensating hazardous pay for all hours that an employee reports for duty within the office of the Director and the Administrative Services Division, and (2) the 10% hazardous pay differential shall be applicable only during time of actual exposure.

Office of the Inspector General Audit Report on U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Government of Guam, GR-90-01-006

The Department of Justice’s Office of the Inspector General issued an audit report dated December 2000 on the costs incurred in relation to the Intergovernmental Service Agreement.

The following findings relate to DOC personnel:

- There were audit exceptions of \$2,779,732.
- The USMS overpaid Guam \$2,131,214 and the INS overpaid Guam \$1,477,910 for detention services.

Department of Labor Audit Report on Re-determination of Parole Officer Positions

The Department of Labor issued an audit report dated January 2000 and determined that the positions of Parole Officers I, II, and III are non-exempt under the Fair Labor Standards Act and entitled to earn overtime pay and accrue compensatory time. According to the report, "these employees do not supervise two or more employees, do not have authority to hire or fire employees, and are not responsible for the management of the division." The report did not expressly address the Chief Parole Officer's exempt status.

Overall Evidentiary Conclusion

The evidence gathered and analyzed in our investigation indicates the following:

- Discrepancies exist between hours reported on time sheets for some DOC employees and the hours substantiated by the logs of entry and exit to and from the prison facilities;
- DOC management did not implement an adequate system of controls over the payroll function; and
- Preferential treatment for the payment of accumulated time occurred within DOC.

The findings in this report indicate a serious disregard and neglect of fiduciary duties by DOC management and employees. There has been a complete breakdown of internal controls over the payroll system in the areas of processing, timekeeping, and approval of regular hours, overtime hours, holiday pay, night differential pay, and hazardous pay. Although many people were in a position to know that abuses were taking place at DOC with respect to overtime and hours worked, we found little evidence that anyone questioned the authority of the Facility Superintendent, supervisors, and other personnel to incur apparently excessive and unjustified work hours.

Our testing of all DOC employee time sheets for two pay periods in 2002 revealed 11,223 hours were reported on time sheets that could not be verified. The dollar value of unsubstantiated hours extends to \$176,846. If these unsubstantiated hours reflect the conditions during the 46 pay periods within our scope, the dollar value of unsubstantiated hours could be as high as \$4,063,272. Many of the people in authority were paid two to three times their base pay.

In summary, a large number of people were responsible for the breakdown of controls at DOC that contributed to the waste and abuse of government funds and possible collusion and fraud. See **Specific Findings and Recommendations** section of this report for detailed discussion of the findings.

Specific Findings and Conclusions

Allegation 1: Discrepancies exist between hours reported on time sheets for some DOC employees and the hours substantiated by the records of entry and exit to and from the prison facilities.

In order to derive the unsubstantiated work hours reflected in **Appendix C**, we obtained blotters and compared the activities with the hours claimed on the time sheets. We subsequently became aware of other logbooks within each post that may indicate ACF personnel activity. In a more conscientious effort to track work hours claimed in employee time sheets, we utilized both blotters and logbooks to determine the unsubstantiated work hours.

In our testing, we found that ACF personnel were not consistently reporting and securing duty with the Central Blotter Control. For FY2001, in a sampling test of 42 employees for two pay periods, we found a total of 410 instances of failure to report and secure with the blotters. We found 112 instances of employees reporting for duty late and 155 instances of employees securing from duty early. These instances were not reflected in the time sheets, which imply that time sheet hours are overstated and employees were overpaid. We found 39 instances where employees claimed hours in their time sheets, but there were no records of activity in the blotters or logbooks to substantiate their presence at work. We also found one instance where the blotter distinctly stated that the employee would not report for duty, but according to the time sheet, was paid as if the employee was there. Of the 54 employees tested, the range of unsubstantiated hours was a low of two hours to a high of 138 for the two pay periods tested.

During our FY2002 testing of all employees for two pay periods, we found similar occurrences. We found a total of 1,282 instances where ACF personnel failed to report or secure from duty. A total of 503 instances indicated employees reporting for duty late and securing from duty early. Our audit revealed 178 instances of employees claiming hours on their time sheets, but the blotters or logbooks could not verify their presence. In addition to this, we found 65 instances where the blotter explicitly indicated that the employee did not report for work, yet hours were claimed in the time sheets. We noted 51 instances documenting discrepancies in the leave/off status of employees in the blotters and the time sheets (i.e. blotters stated that employee was on annual leave/leave without pay, but time sheet stated regular day off, vice versa, etc.). Of the 161 employees identified, the range of unsubstantiated hours was a low of one hour to a high of 342 hours for the two pay periods tested.

Failure to Report and Secure at the Central Control Unit

The Department of Corrections does not utilize a time clock or any other electronic mechanism as a tool to monitor the hours worked by employees. We interviewed several supervisors and asked what procedures they follow to track the time worked by their employees. In each case, we were advised by the supervisors that they do not

have any objective method, which they utilize to accurately verify the hours worked by a subordinate.

On February 4, 1997, the Director issued DOC General Order 97-003. The Order required the preparation of a Daily Correctional Activity Blotter. The Central Control prepares the blotter to be used as a "Management Tool, for the follow-up action, and for any other action or information that may be required to enhance the professional operation of the Department."

On February 22, 2000, the Department of Corrections issued Unit Directive ACF 2000-04,⁶ which reads as follows:

"All satellite units, support sections, and platoon personnel from the Adult Correctional Facility in Mangilao and the Hagåtña Detention Facilities are required to report for and secure from duty at Central Control and GDF Unit Control⁷ respectively."

With the activity blotter that can be utilized to substantiate work hours, we obtained the time sheet hours for 42 DOC employees and non-statistically selected two pay periods in FY2001 (identified as pay periods A and B below) for detailed testing. The tests indicated the amount of hours substantiated was significantly lower than the hours reflected on the employees' time sheets. Therefore, we expanded our testing sample and non-statistically selected two pay periods for FY 2002 (identified as pay periods C and D below). We performed similar comparisons for all DOC employees. The following is a summary of the discrepancies between substantiated hours and the hours actually compensated:

Table 5: Summary of Unsubstantiated Hours

	<i>FY 2001</i>	<i>FY 2002</i>
Correctional and Detention Facilities	902	3,748
Other DOC Divisions	263	1,946
<i>Pay Period A, C</i>	<i>1,165</i>	<i>5,694</i>
Correctional and Detention Facilities	1,040	3,504
Other DOC Divisions	116	2,025
<i>Pay Period B, D</i>	<i>1,156</i>	<i>5,529</i>
<i>Total Unsubstantiated Hours</i>	<i>2,321</i>	<i>11,223</i>
Extended Cost (Unsubstantiated Hours x Respective Employee Rate)	\$32,665	\$169,640
Total Employees Tested	84	412

Because we used non-statistical sampling methods, we could not extrapolate these results in a statistically sound manner. However, utilizing unsubstantiated hours obtained from testing the entire DOC population during FY2002, the extrapolated dollar

⁶ Issued by the Facility Superintendent and concurred by the Director. This directive is applicable only to the correctional and detention facilities division of DOC.

⁷ These control areas are responsible for the preparation of the Daily Correctional Activity Blotters.

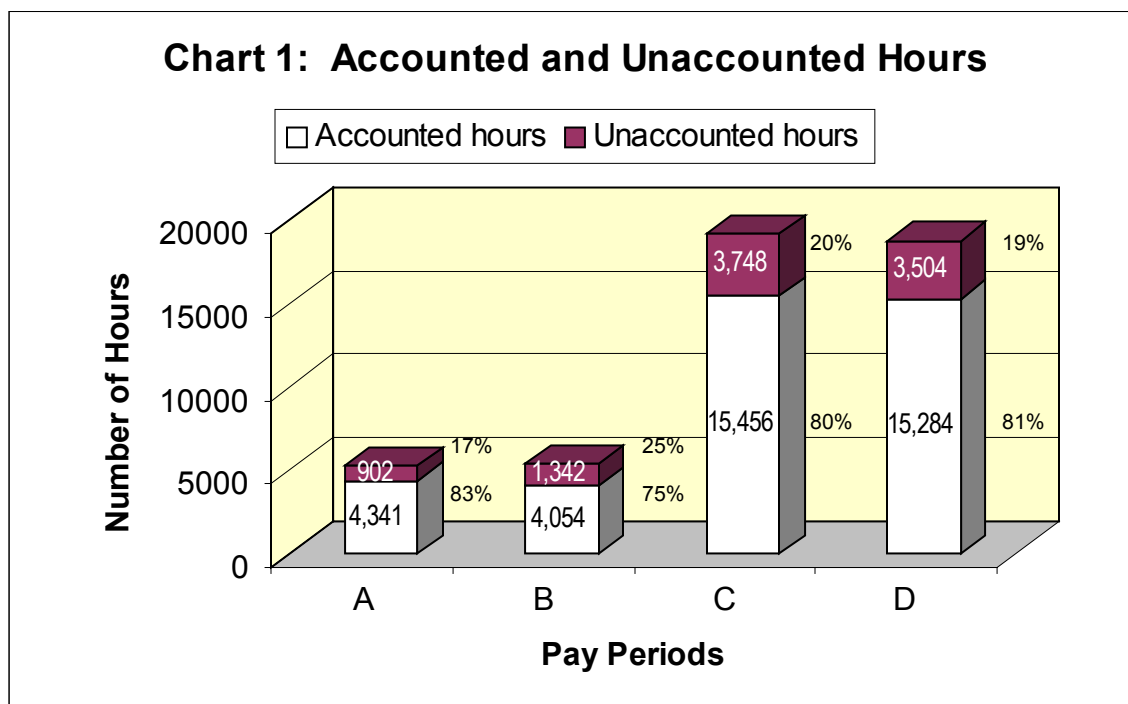
value of unsubstantiated hours could be in excess of \$4,000,000. Results of our detailed testing can be found at **Appendix C**.

Our testing revealed that nearly all of the staff at the Mangilao and Hagåtña facilities do not follow the directive requiring them to report in and secure out through the blotter. In our testing, we found instances where employees would routinely appear in the blotter throughout a 12-hour shift, then at the 11th hour of the shift, they would check out to a post and not return. These appear to be examples of employees failing to follow a directive. We also found many instances where employees would check out earlier than what was claimed on their time sheets. In one particular instance a Sergeant had consistently checked out of the facility early, but indicated on his time sheet that he worked for an additional 2-4 hours per day.

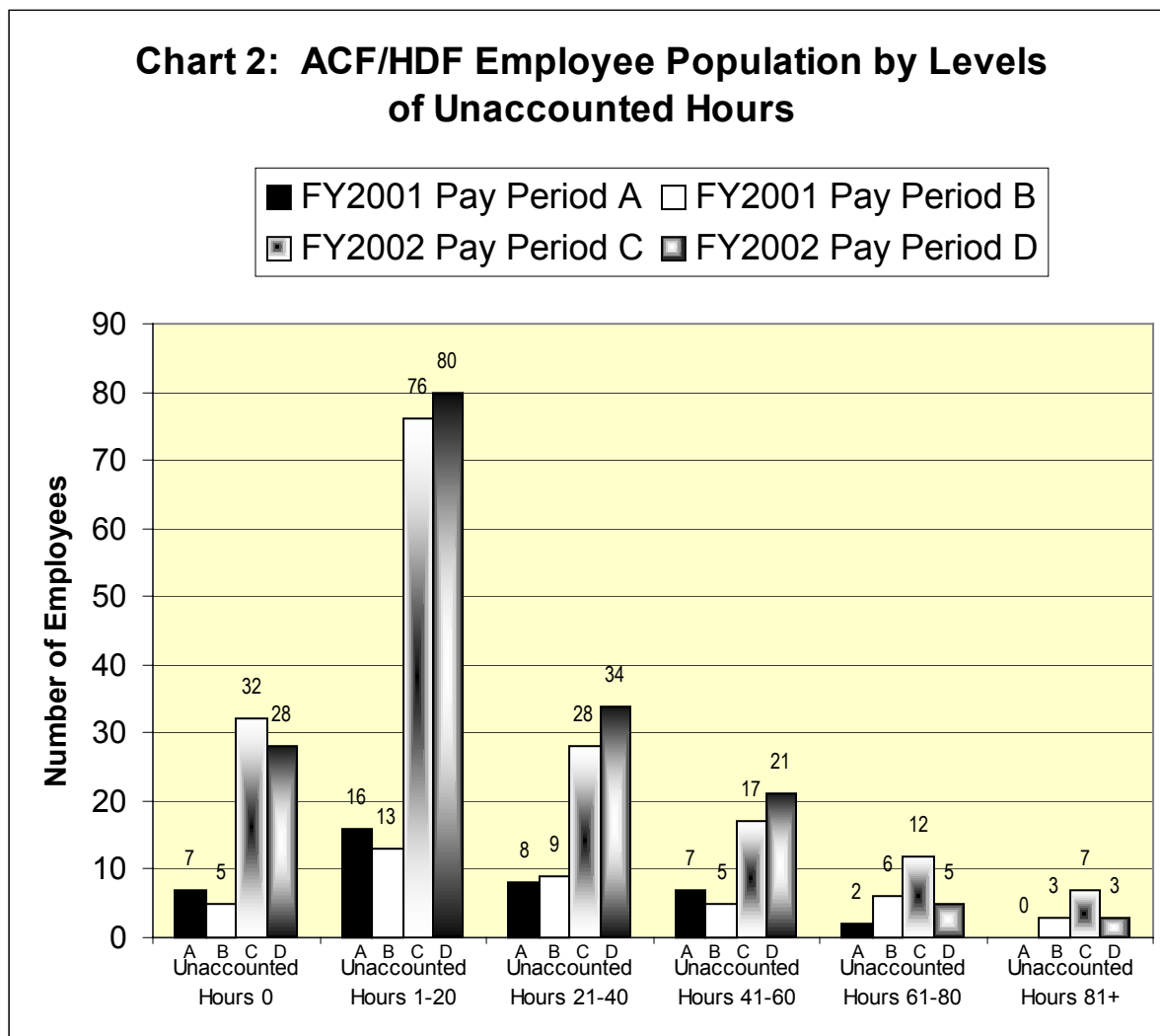
We also found instances where employees were paid, but the blotters or logbooks could not substantiate their presence at work. According to the blotters, these employees did not show up for work but were paid nonetheless.

There were further indications that some employees reflected weekend hours on their time sheets when the blotters indicate the employees did not work over the weekend or worked substantially fewer hours than those reflected on the time sheets. Finally, there were instances in which employees would call in to the central control that they were sick or on accrued leave, however, their time sheets indicated they worked regular hours for those days.

The following chart illustrates the magnitude of unsubstantiated hours, which range from 17% to 25% of hours reported.



As **Chart 2** demonstrates, the unsubstantiated hours were distributed across varying degrees of abuse.



Because our testing indicated that only a few DOC personnel were strictly complying with the directive requiring employees to check in and out through the blotter, it appears that DOC management made little or no effort to ensure the directive was followed nor was there any effort on the part of DOC management to control their largest budget expense, salaries.

In Table 6 are DOC payroll expenditures from fiscal years 1997 to 2001, which include the General Fund, Federal Fund, Safe Streets Fund, Typhoon Paka Emergency Fund, Overtime Fund, and the DOC Inmates Revolving Fund. The trend indicates that overtime has increased each year in absolute amount and as a percent of total payroll, going from \$1.9 million in 1997 to \$4.1 million in 2001 and 16% in 1997 to 33% in 2001 of total payroll.

Table 6: DOC Payroll Expenditures

	1997	1998	1999	2000	2001
Regular	7,950,615.64	8,424,355.49	8,420,827.08	7,406,076.58	6,563,404.68
Overtime	1,899,211.51	2,300,357.65	3,071,551.40	3,986,363.08	4,131,542.72
Benefits	1,711,207.61	1,848,626.92	2,009,037.98	1,983,328.87	2,009,858.70
Total	11,561,034.76	12,573,340.06	13,501,416.46	13,375,768.53	12,704,806.10
% of Overtime to Total Payroll	16%	18%	23%	30%	33%

Other DOC Divisions

The other DOC Divisions, which include the Parole Division, Casework and Social Work Division, the Forensic Division, and the Director's Office, do not have a central control point to confirm hours worked. Division heads for these sections rely on their observation and memory to track their employees' hours at work.

Such lack of control over hours worked allowed the Chief Parole Officer to receive annual earnings of \$88,800, \$95,618 and \$103,998 for calendar years 2002, 2001, and 2000, respectively, from a base salary of \$53,435.

We performed an analysis of the hours reported in the time sheets from the other DOC divisions for two pay periods in FY2002. Although employees in these divisions are not required to report and secure with the Central Control Blotters, we attempted to track hours worked documented in the Central Control Blotters. We calculated that at least 2,157 hours (or the dollar equivalent of \$37,002) were unsubstantiated in one pay period. Another 2,142 hours (or the dollar equivalent of \$38,737) were unsubstantiated in another pay period. These unsubstantiated hours are attributed to the Casework, Forensics, Parole, and the Director's offices (refer to **Appendix C**).

Because we used non-statistical sampling methods for these four divisions, we could not extrapolate the results in a statistically sound manner. However, if the findings from the two pay periods tested are indicative of other 46 pay periods, by multiplying these unsubstantiated hours across 46 pay periods, the dollar value of unsubstantiated hours could be in excess of \$1,742,000.

Conclusion

The evidence gathered supports the allegation that certain DOC employees claimed hours on their respective time sheets that were not substantiated by the timekeeping system of the Central Control Blotters.

Allegation 2: The Management Control system over the DOC payroll function is inadequate.

Internal control is a major part of managing an organization. It comprises the plans, methods, and procedures used to meet missions, goals, and objectives and, in doing so, supports performance-based management. Internal control also serves as a first line of defense in safeguarding assets and preventing and detecting errors and fraud. In short, internal control, which is synonymous with management control, helps government program managers achieve desired results through effective stewardship of public resources.

The responsibility for good internal control rests with management who set the objectives, put the control mechanisms and activities in place, and monitor and evaluate the control. Effective internal control also helps in managing change to cope with shifting environments and evolving demands and priorities.

According to a publication released by the United States General Accounting Office (GAO), there are five standards for internal control that define the minimum level of quality acceptable for internal control in government. The standards include:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communications
5. Monitoring

Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. One key factor affecting the control environment is the integrity and ethical values maintained and demonstrated by management and staff. Agency management plays a key role in providing leadership in this area, especially in setting and maintaining the organization's ethical tone, providing guidance for proper behavior, removing temptations for unethical behavior, and providing discipline when appropriate.

Internal control activities help ensure that management's directives are carried out. Control activities include a wide range of diverse activities such as approvals, authorizations, verifications, reconciliation, performance reviews, maintenance of security, and the creation and maintenance of related records, which provide evidence of execution of these activities as well as appropriate documentation. An example of a control activity is a review by management at the functional or activity level.⁸

The specific management control issues that surfaced during our audit of the DOC payroll function follow.

⁸ GAO/AIMD-00-21.3.1 *Standards for Internal Control in the Federal Government*

Weaknesses of the Timekeeping System

Our review of the Central Control Blotters revealed several design flaws in the DOC timekeeping system. One of the flaws is reflected in the manual preparation of the blotters. Officers assigned to prepare blotters are stationed in the Central Control Unit⁹ and manually input and record the activities of the Department into a computerized template while performing other duties. The printed version of this file becomes the official blotter. No back up disk is kept of the blotter. The data entered into the blotter can be easily manipulated as it is at the discretion of the Officer entering the activity. For example an Officer may or may not log an employee coming in or out, a wrong hour may be recorded, or an employee may leave the compound and his absence may not be noted. On the printed version of the blotter there are also handwritten notations of hours in or hours out.

We found one instance where two blotters existed for the same date and shift. It was later explained to us that the officer preparing the blotter utilized an old blotter spreadsheet file as a template to produce new ones. A platoon commander perceived the problem to have been caused by failing to refresh the date and shift hours. We also found an instance where a page was missing in the blotter. According to officers assigned to prepare the blotters, the electronic blotter files are not saved as a separate back up because of limited hard drive space. Therefore obtaining a copy of the missing page was not possible.

Another weakness relates to the size and contents of the blotter. Blotters are voluminous and cumbersome because they not only served to record hours of DOC personnel, but also to control operational activities at the correctional and detention facilities. Using the blotters to verify hundreds of time sheets require substantial time and effort on the part of a reviewer.

Insufficient Verification of Hours Claimed on Time Sheets

According to Special Order 2000-03,¹⁰ “supervisors designated to sign time sheets are responsible for verifying the reporting and securing time entered on the time sheet of each subordinate.”

We inquired of DOC management as to what systems were in place to ensure the accuracy of employee time sheets. We were advised that there had been no funding available to purchase time clocks or other time tracking tools. Management indicated that they rely on their supervisors to monitor the time of DOC personnel. For one of the pay periods tested, we found that one supervisor had approved timesheets for 46 employees.

⁹ Based on our observation, the Central Control Unit is responsible for the maintenance of the blotters for both operational and timekeeping purposes, receiving internal/external phone calls, and regulating the flow of traffic in and out of the main correctional facility.

¹⁰ Issued by DOC Director on March 6, 2000.

We interviewed the supervisors in the Adult Correctional Facility and asked what tools they use to verify the hours worked by their subordinates. We did not identify any supervisor who employed an objective method of verifying hours for the time sheets they approved. Some supervisors indicated that they relied on their personal recollections in verifying the correct number of hours worked by each employee under their authority.

Observation as a form of verification may be appropriate for employees who do not work overtime or for supervisors as they are compensated for the value of the work done rather than the time spent on the job,¹¹ thus, no overtime is paid. However, if overtime is involved, a more formal approach should be instituted. Failure to do so creates an environment in which favoritism and collusion may occur. Some supervisors indicated that they utilize the blotters to verify hours worked. However, as our own tests found there were hundreds of hours unsubstantiated. We have concluded that DOC management failed in their responsibility to ensure there is an adequate system in place to verify hours worked.

Insufficient Approval of Time Sheets

Testimonial evidence obtained during our interviews with DOC supervisors indicated that instances occurred in which a supervisor refused to approve the time sheet of a subordinate due to a disagreement in the number of hours claimed. When these instances occur, the employee would take the time sheet to the Facility Superintendent or a Correction Officer Supervisor under the Facility Superintendent's administrative staff. During our testing, we noted more than 50 instances in which the Facility Superintendent or Correction Officer Supervisors signed time sheets for employees they did not directly supervise.

We question how the Facility Superintendent and Correction Officer Supervisors could have objectively verified the hours worked for employees not directly under them. We can only conclude that there was collusion with these employees. The instances of highest unsubstantiated hours were for employee timesheets signed by the Facility Superintendent and other non-immediate supervisors.

In our interview with the Facility Superintendent, we were told that control blotters were reviewed to confirm hours worked prior to approving time sheets for persons that are not direct subordinates. However, in the pay periods we reviewed, we were unable to confirm the presence of these employees for substantial portions of time whose time sheets indicated they were at the facility.

We have forwarded information regarding these approvals to the Attorney General for a determination as to whether any laws were violated. We also recommend that the new DOC Director review additional pay periods to determine if this practice was repeated in other pay periods and to determine appropriate corrective action.

¹¹ DOA Circular 95-16

Out of the 84 employee time sheets tested in two pay periods during FY 2001, we observed the following:

- 14 instances where employees did not sign their time sheets but were signed by another employee on behalf of the employees. This was evidenced by the word “for.”
- 17 instances where time sheets lacked supervisor review and signature.

For FY 2002, we tested a total of 407 employee time sheets in two pay periods and found the following:

- 61 instances where other employees signed time sheets on behalf of the employees as evidenced by the word “for.”
- 1 instance where time sheet lacked supervisor review and signature.
- 4 instances where the employee did not sign his/her time sheet.
- 56 instances where supervisors approved time sheets of employees not directly under them. In these instances the Facility Superintendent or administrative Correction Officer Supervisors approved these employee time sheets.
- 2 instances where the employee signed and approved the time sheet as his/her own supervisor.

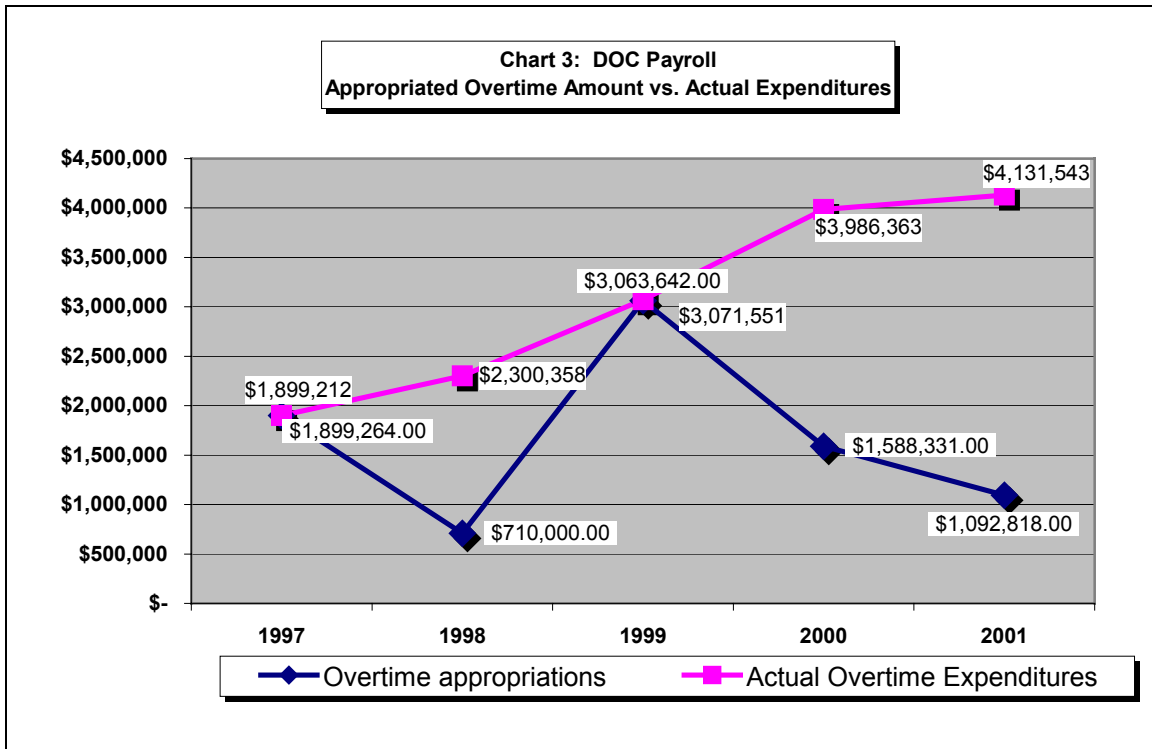
We have concluded that DOC management was not properly monitoring and reviewing employees’ time sheets.

Failure to Use Reports to Monitor and Control Payroll Costs

An effective system of internal controls includes, as one of its main components, the management review of monthly reports of payroll data and a comparison of actual data to budget. In our interviews with DOC management, we were advised that they do not periodically review reports of payroll information nor do they perform budget to actual comparisons. In fact, the Facility Superintendent advised us that he is not worried about money because he knows there is money and leaves money matters to the Director’s office. He indicated that his focus is to carry out the mission of DOC and not to worry about costs. He also stated that the occurrence of overtime cannot be stopped nor controlled. He further advised us that he does not discuss financial issues with the Director.

While we agree it is important to focus on the mission of the organization, the Facility Superintendent’s attitude and total disregard of budgetary control may have contributed to the lack of accountability and the abuse of overtime that occurred at DOC. We are disturbed that the third highest-ranking official at the Department would express such callous disregard for financial stewardship.

The following chart shows comparisons between General Fund appropriations for overtime and actual overtime expenditures. As can be seen, DOC exceeded the appropriated level of expenditures for fiscal years 1998, 2000, and 2001.



During our investigation we found that DOC overtime is funded from several sources. The following table illustrates a brief summary of the sources and the overtime expenditure amounts derived there from.

Table 7: Total DOC Expenditures from Various Funding Sources

	1997	1998	1999	2000	2001
General Fund	1,899,211.51	2,269,049.65	3,064,901.40	3,269,406.61	2,571,729.02
Federal Fund	-	17,319.00	-	23,116.78	-
Safe Streets Fund	-	13,989.00	6,650.00	638,032.42	-
Overtime Fund	-	-	-	55,807.27	8,308.44
DOC Inmate Revolving Fund	-	-	-	-	1,551,505.26
Total Overtime Expenditures	\$1,899,211.51	\$2,300,357.65	\$3,071,551.40	\$3,986,363.08	\$4,131,542.72
Total Staff Size	239	239	228	212	213
Average overtime received per employee	\$7,946.49	\$10,089.29	\$14,488.45	\$18,715.32	\$20,554.94

Excessive Overtime Reported

Applicable laws, rules and regulations related to incurrence of overtime follows:

Title 4, § 4105 (e) of the Guam Code Annotated mandates that, “no person shall be required to work overtime unless the employee has received certification by the Director that funds for overtime pay are available”.

§7.402 of the DOA Personnel Rules and Regulations states:

“It shall be the responsibility of each appointing authority to determine that the provisions of overtime pay are administered in the best interest of government services. Recognizing that each appointing authority is responsible for the manner in which overtime work is authorized, it is especially important to control unauthorized overtime. Each department/agency is responsible for internal controls, which will provide a means of reviewing and evaluating the use of overtime. The practice of overtime work will be subject to review by the Bureau of Budget and Management Research.”

Further, §7.403 reads:

“Each appointing authority shall arrange the employment and work programs of the department/agency in such a way, that overtime is not required except in emergency situations. Emergency situations include circumstances where an established post of duty must be covered 24 hours per day, and an employee is not available to cover that post on a given shift and when danger to life, health, or well-being of the public, employees, patients, inmates or other persons could occur if an employee is not required to be on duty or where danger to property is eminent.”

Further, DOC Special Order 98-037 states, “employees are not allowed to work for more than one 12-hour shift unless it is an emergency.”

Our audit revealed that employees at DOC had been consistently reporting overtime in excess of regularly scheduled 12 hours per day.

During our testing for FY2002, we found a detention facility guard reported 135 overtime hours in addition to 86 regular hours in one pay period. This employee completed working the required 43 regular hours by the third day of the week. All hours worked after 43 hours were paid at 1.5 times his regular rate of pay. According to the time sheet, the guard worked all 14 days in that pay period. As of June 30, 2002, this officer reported 2,311 hours of overtime pay in addition to the 1,720 regular hours normally accumulated by an exempted employee for the first nine months of the year. This guard reported the most overtime hours of all DOC employees in FY2001 with 2,966 hours in addition to his regular hours worked.

Within the same pay period another guard and a correction officer reported more than 100 overtime hours. One officer claimed 101 overtime hours during the two-week period while the guard reported 116 overtime hours. These employees were working 13 to 16 hours in one day and took one day off during each week. It appears these overtime levels are representative of the number of hours claimed each week by these employees as they were both among the five highest paid DOC employees for FY2001 and the first nine months of FY2002. Refer to **Appendix D** for a listing of overtime hours reported by DOC employees for FY 2001 and nine months ending June 2002.

We also found instances where DOC employees without any public safety responsibilities were reporting overtime. A Storekeeper at DOC was allowed to incur 839 overtime hours for FY2001, at cost to the government of \$16,763. Other non-officer employees such as messenger clerks, plumbers, cook assistants, and carpenters also reported overtime regularly.

We also found that the Chief Parole Officer reported a total of 1,055 hours of overtime in FY2001 and a total of 458 hours by the nine months ending June 2002. These constitute overtime costs of \$40,654 and \$17,649, respectively. The Department of Labor, in its January 2000 audit report, did not specifically address the Chief Parole Officer's exempt status (see summary in page 8). However, the Chief Parole Officer's responsibility does not appear to meet the non-exempt criteria stated as he wields supervisory and administrative power over the DOC's Parole Services Division. Therefore, we concluded that the position of the Chief Parole Officer may not have been duly authorized to incur overtime.

Another instance of excessive overtime was evident in the time sheet of the Facility Superintendent. In one pay period selected for testing in FY 2001, his time sheet reflected 19 hours on one day, 24 hours the following day, and 19 hours on the third day for a total of 62 hours recorded over the first three days. For that pay period, he recorded 101 hours of regular pay, 62 hours in overtime, 59 hours of night differential, 148 hours of hazardous pay, and 20 hours of holiday pay. We attempted to verify the number of hours worked against the Central Control Blotter and found no evidence that he was present at the correctional and detention facilities during the first three-day period where he claimed 62 hours. There was nothing in the payroll documentation we reviewed that provided an alternative explanation for the absence of the employee from the blotter. This finding was included in our Interim Report on the Department of Corrections released in November 2002.

Shortly after the release of the Interim Report, the Facility Superintendent, in a media interview stated that he was on an "off-island high-risk movement" to escort a prisoner from a federal penitentiary back to Guam during the 3 days in question. He also stated in the interview that he was sent instead of another officer due to his expertise and experience, as well as the high-risk nature of the mission. Our review of the travel file found that the Facility Superintendent was indeed off-island during the three days being questioned. A handwritten memo in the travel files also indicated that the Facility Superintendent was sent due to shortage of manpower and cost savings due to the fact that the Facility Superintendent was already on annual leave. Although DOC intended for this trip to be a cost cutting measure, the costs associated with the high wage rate of the Facility Superintendent were apparently not taken into consideration.

Further review of the travel file showed that DOC issued the Facility Superintendent tickets from Guam to West Virginia and back to Guam departing about a month before the date of the escort. The itinerary included passage through Los Angeles and Houston with an open flight date to Richmond, Virginia. The Facility Superintendent flew from Guam to U.S. Mainland and took 18 days of personal leave. Because the

ticket had an open itinerary and because the copies of the boarding passes in the file were incomplete, we were not able to determine the dates of travel in Los Angeles, Houston, and Richmond.

At the conclusion of his annual leave, the travel file indicated that he continued his mission from Richmond, Virginia to pick up the prisoner in West Virginia and return to Guam. The Facility Superintendent began to incur work hours upon his departure from Richmond. Our analysis of the travel revealed that the 62 hours stated on the time sheet have been overstated. In fact, the Travel Request and Authorization stated an approximate travel of only two days including a layover in Houston. However, the Facility Superintendent claimed travel for three days.

The cost reported for this trip was \$2,389 in overtime cost to the Facility Superintendent plus the air fare of \$3,575 for an unrestricted ticket, \$150 per diem for one day and \$100 miscellaneous allowance for a total of \$6,214 to transfer an inmate. The cost of the one way ticket for the inmate was \$

We summarized the overtime hours reported by DOC personnel during FY 2001 and for the nine months ending June 30, 2002. Results of data gathered indicated that for FY 2001, DOC reported total overtime hours of 154,029 for 214 employees. With this figure, an employee reported an average of 719 overtime hours for one fiscal year or equivalent to 28 OT hours per pay period during FY 2001. The range of overtime hours reported by each employee was between 10 and 2,966 for the entire fiscal year. Taking the employees with the top 30 overtime hours reported, we calculated that these employees were averaging 114 hours of overtime per pay period. Assuming ten days of work per pay period, these employees would have had to work, on the average, 20 hours daily. See **Appendix D** for details.

For the nine months ending June 30, 2002, 215 employees reported a total of 88,323 hours of overtime. With this figure, an employee reported an average of 410 overtime hours for nine months. The OT hours reported by employees ranged from 28 to 2311 hours. See **Appendix D** for details.

It is unreasonable to conclude that an employee worked 16 to 20 hours daily with little to no days off or vacation.

In our interviews with DOC management, they advised us that overtime hours were mandated by Executive Orders 96-35 and 2000-06. Because these mandates existed, DOC management believed it was relieved of any responsibility for controlling or justifying the use of overtime hours. This is further confirmed by the fact that Executive Orders 96-35 and 2000-06 were preprinted on the time sheets. It is apparent that DOC management abdicated their responsibility to exercise fiscal responsibility and restraint in the use of overtime.

Failure to Control Employees Working through Lunch

In an interview with the Facility Superintendent, we were advised that a further justification for the incurrence of overtime was the fact that DOC officers were not allotted time for meals due to the shortage of personnel and the strict requirement that posts must be manned. We noted in our review of time sheets that in addition to some of the officers working through lunch, there were also some administrative personnel who were consistently reporting the foregoing of meal time hours and instead accumulating overtime hours. We did not see any documentation supporting the need for these administrative employees to work through lunch.

Under 22 GCA §3107(c) employees should be provided time off for lunch time and because management has a duty to minimize overtime hours, employees should not be allowed to work during meal time hours unless there are emergencies. The DOA Personnel Rules and Regulations §7.600 state that “hours worked by an employee without the appointing authority’s permission or contrary to his instruction or, not authorized by such applicable budget appropriations act shall not be considered as hours worked.” It also states “the appointing authority must enforce his no-work rule and [employees] may not unjustly benefit from work performed without his knowledge.”

Despite Executive Orders 96-35 and 2000-06, DOC management should be held accountable for determining, justifying, and documenting the reasons for employees working excess hours beyond their regular schedules. The management of the correctional and detention facilities, where most of the overtime at DOC is reported, failed to enforce these policies to justify and document the reasons for incurring overtime.

Lack of Management Response to Inmate Fluctuations

Throughout our audit we received complaints from management and staff that DOC is understaffed. The data represented by Table 8 indicates that the inmate population nearly doubled from 1997 to 2000 while employee levels decreased from 239 in 1997 to 201 in 2001 (See Table 1). During this period, regular pay decreased by nearly \$1.4 million while overtime increased by \$2.2 million.

Refer to Table 8 for population trend of DOC staff and inmate population for the years 1997 through 2001.

Table 8: DOC Staff and Inmate Population Trend

	1997	1998	1999	2000	2001	2002
Inmate Population	325	627	595	722	612	660
Officers assigned	159	187	182	167	160	166
Total Staff	285	285	285	285	231	228
Ratio: Inmates per Officer	2.04	3.35	3.27	4.32	3.83	3.98
Ratio: Inmates per Staff	1.14	2.20	2.09	2.53	2.65	2.89

Change in Inmate Population		+302	-32	+127	-110	+48
Increase in Overtime Hrs		401,146	763,284	922,721	145,180	

We obtained benchmarks of similarly sized and functional private prison facilities across the United States to determine the appropriate staffing level for the prison. According to data obtained from the 1999 Census of Jails, the average ratio of inmate to officer was 4.2 (range of a low of 1.8 to a high of 8.1) while average ratio of inmate to employee was 3 (range of a low of .9 to a high of 5.7). By comparison, Department of Correction seems to be functioning at an acceptable level of inmate to officer ratio and inmate to staff ratio.

Insufficient Management of Overtime Expenditures

DOC and DOA were unable to provide us with total overtime hours for employees. Therefore, we compiled DOC total employee overtime hours from employee service cards that are maintained at DOA.

Table 9: Total Employee Overtime Hours Recorded

	<i>Total OT hours</i>	<i>Dollar equivalent</i>	<i>Average OT hours per employee</i>	<i>Top 30 OT hours</i>
FY 2001	154,029	\$3,253,128	720	49,680
FY 2002*	88,323	\$1,844,508	411	29,755

*As of 6/30/02

We found that in FY 2001, 214 DOC employees worked a total of 154,029 hours of overtime or an average of 720 overtime hours per employee. The cost to the government of these overtime hours was \$3,253,128. This compares to the budgeted overtime of \$1,092,818.

Of the 214 employees who reported overtime hours, 30 employees accounted for 49,680 of the hours worked. This works out to 32% of total overtime hours for an average of 1,657 overtime hours each. One of these employees, a detention facility guard, as mentioned earlier, worked a total of 2,966 overtime hours in addition to 2,236 of regular hours worked. Our audit found that similar conditions were in effect during the first nine months of FY2002.

Even if DOC required 154,029 total overtime hours to operate the Mangilao and Hagåtña facilities efficiently and effectively in FY2001, a point which we dispute, the ratio of overtime hours as a percentage of regular hours worked is excessive. An appropriate action should have been to increase the number of officers on staff and pay straight time rates rather than overtime rates for a significant portion of the hours. According to our calculation, with the 154,029 of overtime hours reported during FY2001, ideally DOC could have hired 69 (154,029 / 2236) more officers at the average annual Correction Officer I salary of \$26,000 plus 25% benefits to fulfill the 154,029 hours of overtime reported during FY2001. This would have resulted in savings of up to \$1,010,628 (\$3,253,128 – (69 x \$32,500)).

We inquired why more officers have not been hired and were told that they were unable to hire additional employees due to the lack of funding to properly train an officer. DOC stated that these employees must obtain proper training at the Guam Community College. They also stated that it was not uncommon for employees to leave DOC for better job opportunities after they have been trained.

Appendix B includes a comparison of W-2 reported earnings to base salaries for DOC employees for FY 2002. The listing shows that many employees were allowed to double and triple their base salaries through overtime work.

Incomplete Overtime Justification Forms

The DOC overtime justification form was designed by DOC to ensure that all overtime hours worked were properly documented, explained, and authorized. However, during our review of these forms, we found that these forms consistently lacked signatures for approval and fund certification. DOC supervisors informed us that the requirement for completing the forms is not enforced by DOC management and the forms were not being used.

Misuse of Holiday Pay Provisions

Overtime hours are paid at 150% of an employee's regular hourly rate.¹² Rates are further increased during holidays. According to the DOA Personnel Rules and Regulations § 7.700, employees who are required to work on a holiday, because of an emergency or other reasons, shall be paid at a rate equivalent to double their hourly rate (or 200% of base salary) exclusive of any additional pay.

DOC is a 24-hour, seven-days-a-week facility, thus, employees are required to work during the holidays. If employees work during their holidays, they are to be compensated with "holiday pay". If employees are not scheduled to work during the holiday, they receive "holiday leave" which is usually compensated at 8 hours of pay at the base rate.

DOA Personnel Rules and Regulations prescribe the following provisions for the incurrence of Holiday Pay:

§8.503, Legal Holiday for Irregular Hours of Duty: For employees whose workweek is other than Monday through Friday, and whose holiday falls on a non-work day, their holiday is to be determined as follows:

- If the holiday falls on an employee's non-workday and it is not a Sunday, then the regular workday preceding the employee's non-work day is his holiday.

¹² DOA Personnel Rules and Regulations §7.400

- If an employee's workweek does not include Sunday and the established holiday falls on a Sunday, his next regular work day within his workweek is his holiday.
- If an employee's workweek includes Sunday and a holiday falls on the day that has been designated as his non-work day in lieu of Sunday, then his next regular work day after his "in lieu of Sunday" within his workweek is his holiday.

We did not find any evidence that DOC management planned holiday schedules in order to minimize holiday pay and overall payroll expenses. We found that DOC employees were not following §8.503 of the personnel rules with regards to the determination of which day to include as their holiday pay. It appeared that employees were claiming holiday pay for the day that would provide the maximum benefit rather than following the policy. Our review of the time sheets revealed that the amount of hours worked by employees generally increased during holidays. Furthermore, we found no documentation justifying the need for additional hours.

For one of the holidays selected for testing in FY 2001, we found three employees that did not register any activity in the control blotter, but claimed between 12-14 hours of time on their time sheets. For the other holiday we tested, we found that three different employees reported a total of 33 hours without any indication in the blotter that they showed up at work that day. The unsubstantiated hours for holiday hours are included in the data shown in **Appendix C**.

In another case, an officer was listed UAWOL (Unauthorized Absence Without Leave) on the day before the holiday, had been scheduled for a regular day-off on the date of the holiday, and reported to work and reported 13 work hours the day after the holiday. In accordance with the policy for incurring holiday pay, the officer's holiday pay should have been based on the number of hours worked the day before the holiday. However, on the officer's time sheet, he claimed the day following the holiday as his holiday and received holiday pay for the 13 hours worked.

The total cost to the Government of Guam as a result of the improper application of holiday pay was \$4,570 for the 84 samples tested in FY2001 and \$400 for the 204 samples tested in FY2002.

We have concluded that DOC management did not properly monitor and control the payment of overtime during holidays.

Misuse of Hazardous Pay Provisions

According to 4 GCA §6222 "A corrections officer or any employee of the government who performs the duty of guarding prisoners or otherwise is exposed to a life threatening environment with respect to incarceration of prisoners shall be entitled to hazardous pay calculated at the rate of his or her regular wage plus ten percent (10%) for all periods he or she is on such duty. The differential shall be applicable only during time of exposure."

Early in 2001, the Civil Service Commission (CSC) conducted an audit on Hazardous Pay Differential of DOC. It revealed that employees in the Director's Office were being compensated with hazardous pay for all the hours they report to work. The CSC recommended that DOC "cease the practice of compensating the 10% Hazardous Pay for all hours that an employee reports for duty within the office of the Director and the Administrative Services Division." They also indicated that the employees within the office of the Director and the Administrative Services Division should be compensated according to 4 GCA §6222, whenever they encounter the exposure to a life-threatening environment with respect to the incarceration of prisoners. They recommended that such instances be recorded and documented.

During our audit, we noted that as of June 2001, employees within the DOC Director's Office were still claiming hazardous pay. Instead of ceasing the practice of giving hazardous pay to the employees in the Director's Office, DOC had detailed inmates in the Director's Office for rehabilitative purposes. This enabled the employees to continue to receive the hazardous pay differential in order to justify the "life-threatening environment" requirement. During our review of May 2002 payroll documents, we noticed that this practice had been discontinued.

Violation of Nepotism Prohibition

The DOA Personnel Rules and Regulations prohibit government employees from being in a supervisor/subordinate relationship with a brother or a sister. In the four pay periods tested, we found two instances in which a supervisor had approved the time sheet of his/her sibling. In each instance, we found that there were more than 30 hours paid during the pay period, which could not be confirmed by reviewing the blotter.

Additionally, the Personnel Rules and Regulations also contain a prohibition against more than two members from a single household being employed in the same Department. During our audit, we were made aware of numerous instances in which close family members (although no more than two from the same household) were employed by the Department. For instance, two of the Acting Director's stepchildren are employed at DOC. Such close relationships within a government organization increase the likelihood that a collusive environment may develop.

During our fieldwork, we compiled a table indicating various familial relations at DOC that came to our attention during the audit.

Table 10: Familial Relations

	<i>Relationship</i>	<i>Position</i>	<i>Division/Post</i>
1	Stepfather Stepson Stepson	Deputy Director/Acting Director Correction Officer III Correction Officer I	Director's Office ACF - B Platoon ACF - B Platoon
2	Brothers	Correction Officer Correction Officer I	ACF - Education Officer Property Office

3	Brothers	Correction Officer III Correction Officer I	ACF - B Platoon ACF - B Platoon
4	Sisters	Admin Officer/CO Spvr II Correction Officer III Training Officer/CO Spvr II	ACF - Operations Office ACF - Post 8/Women's Facility ACF - Training
5	Husband Wife	CO Spvr I Admin Officer/CO Spvr II	ACF - Post 3/Infirmary ACF - Operations Office
6	Husband Wife	Correction Officer Word processing Secretary II/ Timekeeper	ACF - Visitation/Transport Office ACF - Operations Office
7	Husband Wife	Correction Officer III Correction Officer II	ACF - Post 9/Community Corr. Ctr. ACF - B Platoon

We recommend the Guam Legislature expand the prohibition on the number of family members serving in a Government of Guam agency to include parents and siblings despite not being under the same household.

Excessive Compensatory Time Allowances

According to the Department of Administration Personnel Rules and Regulations,¹³ compensatory time allowance (CTA) can be used to accommodate periodic unplanned requirements to work additional hours without the need to pay them immediately. CTA requires the mutual consent of the employee and management.

According to the Personnel Rules and Regulations, the maximum number of compensatory time hours an employee engaged in law enforcement could accumulate would be 480 hours. Non-law enforcement employees are allowed to accumulate 240 hours. Management has the responsibility of tracking and monitoring the accumulation of compensatory time hours to ensure they do not exceed allowable limits. Any hours accumulated beyond these maximum amounts are required to be paid to employees by the following pay period. Because compensatory time is time banked in lieu of paid overtime, compensatory time is required to be recorded at 1.5 hours for every hour worked. Therefore, non-law enforcement employees can work up to 160 hours and law enforcement employees can work up to 320 hours before reaching the maximum allowed.

In our audit, although CTA was being tracked, we did not find any evidence of management monitoring the CTA, so as to prevent excessive accumulation of CTA hours. We found numerous instances in which employees were allowed to accumulate more than 480 hours without receiving payment. According to our interviews with DOC payroll personnel, unavailability of funds had caused the accumulation of hours beyond the maximum levels.

We have concluded that DOC management failed to properly monitor and maintain the compensatory time program according to the DOA Personnel Rules and Regulations.

¹³ DOA Personnel Rules and Regulations Chapter 7.405

The weaknesses in management controls have resulted in excess overtime and outstanding payables of overtime beyond budgeted amounts in the Department of Corrections.

Conclusion

Based on the audit work performed, the evidence gathered supports the allegation that Management Controls over DOC payroll system were lacking and because of the lack of oversight, management may have conspired with other employees to allow the excessive amounts of holiday, night differential, and overtime by DOC personnel.

Allegation 3: Preferential treatment exists in the payment of accumulated overtime.

DOA Personnel Rules and Regulations Chapter 12, Grievance Procedures, states: “It shall be the policy of the Government of Guam to promote favorable relations between management and its employees by resolving complaints expeditiously; preventing similar complaints; assuring fair and equitable treatment of all employees; and promoting harmonious working relationships among all levels of employees.”

As stated earlier (refer to **Chart 3**), the amount of overtime payments for hours reported by DOC employees routinely exceeded the amount appropriated by the Legislature.

During our audit, we found that DOC utilizes compensatory time accounts to accumulate unpaid overtime. Furthermore, we found that there is no procedure in place to govern the disbursement of overtime payments. In at least 114 instances of 252 payments reviewed, payments of overtime hours were being made based on the discretion of the Director. We note that the lack of procedures may be perceived as discriminatory when approving a relative’s request. In this case, we were informed that the Acting Director approved the special payment request of compensatory time for one of his stepsons.

We found request memos citing reasons such as a death in the family, medical emergencies, weddings, vacations, mortgage payments, and other financial obligations that were creating emergencies for employees. Because the DOA Personnel Rules and Regulations did not address the conversion of compensatory time to cash in detail and because the Department does not have a clearly enunciated policy for the conversion of compensatory time to cash, DOC managers are leaving themselves open to allegations of preferential treatment.

For the purpose of our analysis, we have defined a preferential transaction as payment of accumulated compensatory time to selected individual or several individuals regardless of the accumulated compensatory time. In conjunction with this, a payment of compensatory hours that is considered to be excessive both in hours and amount were also considered to be preferential. For the purposes of our testing, we have defined excessive hours to be above 150 and excessive amounts to be above \$5,000.

We determined these amounts to be excessive based on the concept that the amounts could have been divided among many employees instead of just one. The frequency of payment to an individual in comparison to the majority of staff was also considered in determining preferential treatment. Utilizing the above criteria, preferential treatment in paying CTA exists within DOC.

On December 30, 2000, 15 people were paid a total of \$50,486; this included a payment of \$12,412 to a Security Guard. In FY 2001, we found 12 individuals were paid a total of \$80,601. This amount included a payment of \$12,412 to an individual for 548 accumulated overtime hours. On July 28, 2001, a Guard was paid \$28,426 in a single CTA payment transaction. On the same day another guard was paid \$20,136. In FY 2002, six individuals were paid on November 17, 2001, for a total payment of \$51,433. Within this payment two officers were paid \$10,756 for 629 hours and \$12,313 for 532 hours, respectively. We consider these payments preferential because the payments were made to only a select few and it did not involve payments to all other staff.

From the payments reviewed, we observed at least 82 instances where employees may have received compensatory time payments more frequently than others. We defined "frequent" to be payment of accumulated overtime made in consecutive months. An example of this instance occurred on August 26, 2000 when the Facility Superintendent was paid \$7,148 for compensatory time with the rest of the DOC staff. However, less than a month later on September 23, 2000, the Facility Superintendent was paid another \$3,295 for compensatory time; he was the only one paid for compensatory time that day.

Conclusion

Evidence indicates that preferential treatment as to the payment of accumulated overtime generally existed at DOC.

Recommendations

1) *Timekeeping System*

Because the Daily Correctional Activity Blotters are utilized for both operational and timekeeping purposes, the need to sift through payroll and operations data makes it more difficult to utilize the blotters to verify actual hours worked. DOC's facilities are dispersed throughout several locations (Mangilao, Tiyan, and Hagåtña) and certain employees are in constant transit among them; it is difficult to develop effective controls to account for all the hours of those employees. We therefore, recommend that DOC implement a computerized or mechanized timekeeping system that is segregated from any other function, suitable for multiple remote sites, and requires personnel physical identification. Although the cost is a significant factor in implementing such a system, the benefits of investing in a reliable and efficient timekeeping and payroll system would outweigh the costs of unsubstantiated hours and payroll preparation.

2) *Time Sheet Verification*

We recommend that DOC management conduct independent reviews and verification of employee time sheets for past due overtime to determine the validity of such overtime. Discrepancies in hours between time sheets and blotters should be addressed and the cause of such discrepancies be corrected promptly. All *proper* signatures must be affixed in the time sheets before they are processed.

3) *Need for Proactive Management*

We recommend that DOC strengthen the system of controls, of checks and balances over the payroll function. This system should include budget to actual comparisons, periodic audits of time sheets, and monitoring overtime on a biweekly basis. Work schedules should be created in such a manner so as to minimize the amount of overtime hours worked by corrections officers.

We recommend that DOC comply with 22 GCA §3107 and halt the practice of allowing administrative and civilian employees to incur overtime during lunch hours unless it is determined to be an emergency. In line with the Personnel Rules and Regulations, all employees who opt to stay for lunch and work should not be compensated unless management requests that they work during their lunch hours.

4) *Compensatory Time Allowance*

We recommend that DOC maintain the CTA accounts according to the regulations set forth in the DOA Personnel Rules and Regulations Chapter 7.405. We recommend that DOC management follow DOA personnel rules and maintain the accumulated compensatory time within the allowable hour limits – 480 hours for law enforcement personnel and 240 for non-law enforcement personnel.

5) *Holidays*

We recommend that the DOC management develop an efficient schedule so as to decrease the incurrence of excessive overtime during holidays. We further recommend that management gain an understanding and enforce compliance on the holiday policies set forth in the DOA Personnel Rules and Regulations.

6) *Nepotism*

We recommend that the Guam Legislature review the existing laws regarding closely related employees serving in the same government agency. The existing rules and regulations consider only family members that reside in the same household. We believe the nepotism limitations should be extended to include parent-child, stepchildren, grandchildren, and sibling relationships, even though they may not be living in the same household.

7) **Data Input**

We recommend that DOC abandon the practice of entering time sheets into the payroll system prior to the end of the pay period. This practice requires payroll staff to review time sheets after the end of the pay period to determine if there were any differences between estimated hours and actual hours. DOC should assign the work schedule of the payroll and administrative staff to designate the next workday immediately after the pay period to verify and input payroll data to avoid duplication of payroll processing efforts and still meet payroll in a timely manner.

Management Response

We provided a draft copy of our report to DOC management for review and comment. The DOC Director provided a written response to the report. In the response, the Director stressed that many of the problems cited in the report were caused by an influx of inmates and a decrease in resources during the audit period. However, in general, he concurred with our findings and indicated that he has taken action to ensure the abuse will not continue.

In his letter, the Director requested that OPA not release the final report. He cited concerns that the release “may place honest, hardworking employees of the department in an unfair position and may pose a problem for future prosecution.” We contacted a Deputy Attorney General, allowed him to review our report, and were advised that nothing in the report would compromise any on-going investigations. The full text of the Director’s response is included as **Appendix E** to this report.

Limitations of the Report

The period covered by our report was the 21-month period from October 1, 2000 through June 30, 2002. Our investigation was conducted in accordance with *Generally Accepted Government Auditing Standards*.

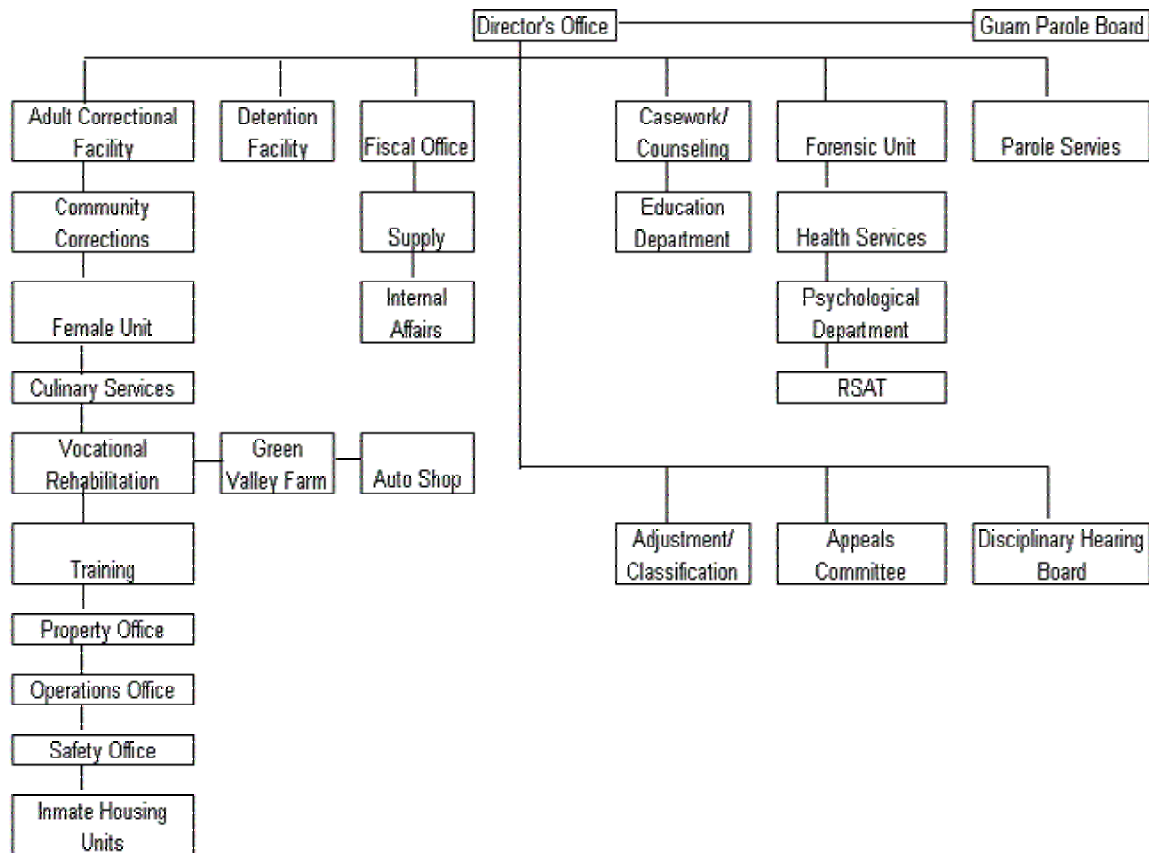
This report has been released to the Governor of Guam, the Speaker and members of the 27th Guam Legislature, the Director of Department of Corrections, the Attorney General of Guam, and the U.S. Attorney for Guam. This report is a matter of public record and its distribution is not limited.

OFFICE OF THE PUBLIC AUDITOR



Doris Flores Brooks, CPA
Public Auditor

Appendix A: Organizational Chart and Division Description



Director's Office

The Director's Office has oversight of the daily operations of the various divisions and units within DOC. The office plans, organizes, supervises, directs, and coordinates all functions of the department for the attainment of goals and objectives.

The Fiscal Office, Supply Section, Adjustment Classification Committee, Disciplinary Hearing Board (DHB), the Appeals Committee are under the general supervision of the Director's Office.

The Adult Correctional Facility (ACF)

The Adult Correctional Facility (ACF) in Mangilao, provides 24-hour care, custody, and control of adjudicated individuals for the safety of the community. This division ensures that prisoners are properly housed, nourished, cared for, clothed, and transported to medical facilities and court hearings.

The Community Corrections Center, Female Unit, Culinary Services, and Vocational Rehabilitation Services are under the general supervision of the ACF.

The Hagåtña Detention Facility

The Detention Facility in Hagåtña was comprised of the 80-cell Federal Detention Facility (FDF) and the 74-cell Guam Detention Facility (GDF). These units maintain 24-hour security services for detainees awaiting prosecution. The FDF was built with \$3.0 million in federal funds and must not have less than 60 cells available for federal prisoners at any given time.

On April 13, 2002, the GDF officially closed and these detainees were relocated to the ACF.

The Parole Services Division

The Parole Services Division supports and enforces the parole system of Guam. Its responsibilities are to present parole applicants to the Guam Parole Board, assist and monitor parolees, to enforce conditional release requirements and to arrest parolees whenever necessary. PSD also presents applicants requesting “Executive Clemency” to the Guam Pardon Review Board.

Forensic Unit

The Forensic Unit is responsible for the delivery and provision of Mental Health and Substance Abuse treatment services for all inmates.

Casework and Counseling Services Division

Casework and Counseling’s main objective is to provide a correctional treatment plan to the inmates during their incarceration and prepare them for eventual release from confinement. This is accomplished through counseling, monitoring, charting, and referring inmates to other agencies for specialized care if necessary.

Maintenance of Prisoners Off-Island

This division pertains to the imprisonment of local prisoners in the Federal Bureau of Prisons in the mainland United States.

Guam Parole Board

Members of the Guam Parole Board are compensated for services rendered in making determinations and decisions if a prisoner should be granted parole privileges or released from parole status. Each member is paid \$50 for attending a hearing and the Board may conduct at least two regular meetings a month.

Appendix B: Comparative Table of W-2 and Budgeted Annual Base Salary, 2002 – Selected Employees

Calendar Year 2002 Annual Income		
	Employee by Title	W-2 Earnings Base Salary
1	Correction Officer III	102,545.50 33,259.20
2	Facility Superintendent	98,828.48 55,265.60
3	Correction Officer III	97,425.63 35,609.60
4	Detention Facility Guard	91,135.59 28,953.60
5	Chief Parole Officer	88,800.09 53,435.20
6	Correction Officer Supervisor II	82,662.67 39,790.40
7	Security Guard (Armed)	81,635.91 31,408.00
8	Correction Officer III	80,692.07 34,424.00
9	Correction Officer Supervisor I	78,446.09 39,624.00
10	Correction Officer Supervisor II	76,383.48 41,163.20
11	Correction Officer Supervisor II	75,362.65 39,790.40
12	Correction Officer I	72,416.41 31,012.80
13	Correction Officer I	70,836.84 27,955.20
14	Staff Nurse II	69,889.03 41,579.20
15	Correction Officer III	68,867.89 36,857.60
16	Psychiatric Social Services Administrator	68,056.13 59,217.60
17	Correction Officer III	67,980.84 34,424.00
18	Detention Facility Leader	67,253.04 29,952.00
19	Correction Officer I	67,219.50 27,955.20
20	Correction Officer II	65,890.86 33,196.80
21	Correction Officer Supervisor II	65,889.64 41,163.20
22	Correction Officer Supervisor II	65,652.71 35,796.80
23	Detention Facility Guard	65,193.31 26,956.80
24	Correction Officer Supervisor II	64,678.64 35,796.80
25	Correction Officer I	64,549.92 31,012.80
26	Correction Officer I	64,519.31 31,012.80
27	Correction Officer Supervisor I	63,807.52 38,272.00
28	Correction Officer III	63,707.84 36,857.60
29	Parole Officer III	62,307.84 46,592.00
30	Correction Officer III	62,299.11 36,857.60
Total Amount		2,214,934.54 1,115,192.00
As % of Total DOC Salaries		22%

Appendix C: Detail of Unsubstantiated Hours, Sample Pay Periods in 2001 and 2002 – Selected Employees

Note: The total unsubstantiated hours and extended costs are attributable only for 2 pay periods in FY2001 and FY2002. Only 40 out of the 172 employees in FY2002 are shown below, but the totals, averages, and ranges reflect all 172 employees.

Fiscal Year 2001

		Unsubstantiated Hours			Extended Costs		
	Position	Rate	PPD A	PPD B	Total FY2001	Minimum ¹⁴	Maximum ¹⁵
Correctional and Detention Facilities Divisions							
1	Correction Officer I	\$11.40	69	69	138	\$1,573.20	\$2,359.80
2	Correction Officer Supervisor II	\$17.21	60	60	119	\$2,047.99	\$3,071.99
3	Correction Officer I	\$14.91	54	54	107	\$1,595.37	\$2,393.06
4	Correction Officer III	\$16.55	not tested	101	101	\$1,667.41	\$2,501.12
5	Correction Officer Supervisor II	\$19.13	50	50	100	\$1,913.00	\$2,869.50
6	Correction Officer II	\$15.96	46	46	92	\$1,468.32	\$2,202.48
7	Correction Officer Supervisor II	\$19.79	43	43	86	\$1,701.94	\$2,552.91
8	Correction Officer Supervisor I	\$19.05	80	not tested	80	\$1,514.48	\$2,271.71
9	Correction Officer I	\$12.96	39	39	78	\$1,010.88	\$1,516.32
10	Correction Officer I	\$ 9.51	38	38	76	\$722.76	\$1,084.14
11	Correction Officer II	\$16.52	not tested	63	63	\$1,040.76	\$1,561.14
12	Correction Officer I	\$10.80	58	not tested	58	\$626.40	\$939.60
13	Correction Officer I	\$11.40	not tested	56	56	\$641.25	\$961.88
14	Correction Officer I	\$11.40	28	28	55	\$627.00	\$940.50
15	Correction Officer I	\$12.96	24	24	48	\$622.08	\$933.12
16	Correction Officer I	\$14.40	46	not tested	46	\$662.40	\$993.60
17	Correction Officer I	\$14.91	not tested	46	46	\$685.86	\$1,028.79
18	Correction Officer I	\$14.91	23	23	46	\$685.86	\$1,028.79
19	Correction Officer I	\$13.44	23	23	46	\$618.24	\$927.36
20	Correction Officer Supervisor I	\$18.40	23	23	45	\$828.00	\$1,242.00
21	Correction Officer Supervisor II	\$20.49	19	19	37	\$758.13	\$1,137.20
22	Correction Officer I	\$12.96	17	17	34	\$440.64	\$660.96
23	Correction Officer III	\$15.99	17	17	33	\$527.67	\$791.51
24	Correction Officer II	\$15.96	16	16	32	\$510.72	\$766.08
25	Correction Officer I	\$12.00	31	not tested	31	\$372.00	\$558.00
26	Detention Facility Guard	\$12.96	15	15	30	\$388.80	\$583.20
27	Correction Officer Supervisor I	\$17.19	not tested	26	26	\$453.99	\$680.98
28	Correction Officer I	\$12.00	not tested	26	26	\$306.00	\$459.00
29	Correction Officer III	\$17.72	not tested	21	21	\$363.26	\$544.89
30	Correction Officer I	\$11.40	10	10	19	\$216.60	\$324.90
31	Correction Officer I	\$12.00	not tested	19	19	\$222.00	\$333.00
32	Correction Officer III	\$17.12	not tested	18	18	\$299.60	\$449.40
33	Correction Officer I	\$12.96	not tested	15	15	\$194.40	\$291.60

¹⁴ Minimum cost for purposes of this report is calculated "Total Unsubstantiated Hrs * Rate".

¹⁵ Maximum cost for purposes of this report is calculated "Total Unsubstantiated Hrs * (Rate * 1.5)".

34	Detention Facility Guard	\$10.20	7	7	14	\$142.80	\$214.20
35	Correction Officer I	\$12.48	not tested	14	14	\$168.48	\$252.72
36	Correction Officer I	\$11.40	13	not tested	13	\$148.20	\$222.30
37	Correction Officer I	\$14.91	12	not tested	12	\$178.92	\$268.38
38	Correction Officer Supervisor II	\$17.21	11	not tested	11	\$180.71	\$271.06
39	Correction Officer I	\$15.43	11	not tested	11	\$162.02	\$243.02
40	Detention Facility Leader	\$14.40	not tested	10	10	\$147.60	\$221.40
41	Correction Officer I	\$ 9.51	10	not tested	10	\$90.35	\$135.52
42	Correction Officer I	\$14.91	5	5	9	\$134.19	\$201.29
43	Correction Officer I	\$14.91	3	3	6	\$89.46	\$134.19
44	Correction Officer Supervisor I	\$18.40	5	not tested	5	\$92.00	\$138.00
45	Correction Officer I	\$15.43	2	not tested	2	\$23.15	\$34.72
46	Correction Officer I	\$14.91	not tested	2	2	\$22.37	\$33.55
47	Correction Officer I	\$14.91	0	not tested	0	\$0.00	\$0.00
48	Correction Officer I	\$13.44	0	not tested	0	\$0.00	\$0.00
49	Correction Officer I	\$11.40	not tested	0	0	\$0.00	\$0.00
50	Security Guard (Armed)	\$15.10	0	0	0	\$0.00	\$0.00
51	Detention Facility Guard	\$13.92	0	0	0	\$0.00	\$0.00
52	Correction Officer III	\$17.72	0	0	0	\$0.00	\$0.00
53	Facility Superintendent	\$26.57	0	0	0	\$0.00	\$0.00
54	Correction Officer I	\$14.91	0	0	0	\$0.00	\$0.00

Sub-total, Correctional and Detention
Facilities (54 Employees)

902 1,040 1,941 \$28,887.23 \$43,330.85

Average Unsubstantiated Hours
per employee

17 19 36

Average Extended Cost
per employee

\$534.95 \$802.42

Employee Unsubstantiated Hours
ranged from:

0 - 101

		Unsubstantiated Hours			Extended Costs	
Position	Rate	PPD A	PPD B	Total FY2001	Minimum	Maximum
Other DOC Divisions						
Correction Officer I	\$11.40	124	115.5	240	\$2,730.30	\$4,095.45
Detention Facility Guard	\$12.59	139	not tested	139	\$1,750.01	\$2,625.02

Sub-total, Other DOC Divisions (2
Employees)

263 116 379 \$4,480.00 \$6,720.00

Fiscal Year 2002

		Unsubstantiated Hours		Total FY2002	Extended Costs		
Position	Rate	PPD C	PPD D		Minimum	Maximum	
Correctional and Detention Facilities Divisions							
1	Correction Officer III	\$ 15.99	155	187	342	\$5,460.59	\$8,190.88
2	Correction Officer III	\$ 16.55	131	123	254	\$4,195.43	\$6,293.14
3	Correction Officer I	\$ 12.96	85	78	163	\$2,106.00	\$3,159.00
4	Detention Facility Guard	\$ 12.48	83	77	160	\$1,990.56	\$2,985.84
5	Correction Officer I	\$ 12.00	91	58	149	\$1,782.00	\$2,673.00
6	Correction Officer I	\$ 9.60	62	86	148	\$1,416.00	\$2,124.00
7	Correction Officer I	\$ 12.00	89	51	140	\$1,674.00	\$2,511.00
8	Correction Officer Supervisor II	\$ 17.21	72	63	135	\$2,314.75	\$3,472.12
9	Correction Officer I	\$ 9.60	89	44	133	\$1,276.80	\$1,915.20
10	Correction Officer Supervisor II	\$ 19.13	69	61	130	\$2,477.34	\$3,716.00
11	Correction Officer I	\$ 13.44	76	52	128	\$1,713.60	\$2,570.40
12	Correction Officer I	\$ 9.51	79	47	126	\$1,198.26	\$1,797.39
13	Plumber II	\$ 16.52	60	64	123	\$2,031.96	\$3,047.94
14	Correction Officer I	\$ 13.44	71	52	123	\$1,646.40	\$2,469.60
15	Plumber I	\$ 11.40	64	52	116	\$1,316.70	\$1,975.05
16	Correction Officer I	\$ 12.96	67	44	111	\$1,432.08	\$2,148.12
17	Correction Officer II	\$ 15.96	69	36	104	\$1,659.84	\$2,489.76
18	Correction Officer III	\$ 17.72	51	52	103	\$1,816.30	\$2,724.45
19	Correction Officer III	\$ 17.72	57	45	102	\$1,798.58	\$2,697.87
20	Correction Officer I	\$ 14.91	63	33	96	\$1,431.36	\$2,147.04
21	Detention Facility Guard	\$ 15.43	59	37	96	\$1,473.57	\$2,210.35
22	Correction Officer Supervisor II	\$ 19.13	43	53	95	\$1,817.35	\$2,726.03
23	Detention Facility Guard	\$ 12.48	43	48	91	\$1,129.44	\$1,694.16
24	Correction Officer I	\$ 9.51	56	34	90	\$855.90	\$1,283.85
25	Correction Officer I	\$ 14.91	43	40	83	\$1,237.53	\$1,856.30
26	Cook Assistant	\$ 8.18	62	21	82	\$670.76	\$1,006.14
27	Correction Officer I	\$ 15.43	46	34	80	\$1,234.40	\$1,851.60
28	Correction Officer I	\$ 11.40	35	45	80	\$906.30	\$1,359.45
29	Correction Officer Supervisor II	\$ 19.79	32	45	77	\$1,513.94	\$2,270.90
30	Correction Officer III	\$ 16.55	28	48	76	\$1,249.53	\$1,874.29
31	Correction Officer I	\$ 13.44	34	41	75	\$1,001.28	\$1,501.92
32	Correction Officer Supervisor I	\$ 18.40	33	40	73	\$1,334.00	\$2,001.00
33	Correction Officer I	\$ 11.40	60	12	72	\$815.10	\$1,222.65
34	Detention Facility Leader	\$ 16.52	50	20	70	\$1,148.14	\$1,722.21
35	Correction Officer I	\$ 12.00	54	14	68	\$816.00	\$1,224.00
36	Correction Officer I	\$ 12.48	63	0	63	\$780.00	\$1,170.00
37	Correction Officer Supervisor II	\$ 19.79	30	32	62	\$1,217.09	\$1,825.63
38	Detention Facility Guard	\$ 11.40	34	27	61	\$689.70	\$1,034.55
39	Correction Officer II	\$ 16.52	43	18	60	\$991.20	\$1,486.80
40	Correction Officer I	\$ 14.91	8	52	60	\$894.60	\$1,341.90
	Remaining 132 employees		1,320	1,546	2,865	\$37,770.66	\$56,655.98
Grand Totals (172 employees)		3,748	3,504	7,252	\$100,285.00	\$150,427.49	
Average Unsubstantiated Hours per employee		22	20	42			
Average Extended Cost per employee					\$583.05	\$874.58	

Employee Unsubstantiated Hours
ranged from:

0 - 187

		Unsubstantiated Hours		Total FY2002	Extended Costs		
Position	Rate	PPD C	PPD D		Minimum	Maximum	
Other DOC Divisions							
1	Chief Parole Officer	\$ 25.69	131.5	117.0	249	\$6,383.97	\$9,575.95
2	Correction Officer I	\$ 14.91	105.5	102.0	208	\$3,093.83	\$4,640.74
3	Administrative Assistant	\$ 17.12	98.0	101.0	199	\$3,406.88	\$5,110.32
4	Parole Officer I	\$ 14.08	104.5	91.5	196	\$2,759.68	\$4,139.52
5	Parole Officer III	\$ 22.40	102.0	90.5	193	\$4,312.00	\$6,468.00
6	Messenger Clerk	\$ 9.52	99.0	89.0	188	\$1,789.76	\$2,684.64
7	Correction Officer II	\$ 16.52	91.0	95.0	186	\$3,072.72	\$4,609.08
8	Correction Officer I	\$ 11.40	123.5	61.0	185	\$2,103.30	\$3,154.95
9	Psychiatric Social Services Administrator	\$ 28.47	79.5	93.0	173	\$4,911.08	\$7,366.61
10	Storekeeper I	\$ 13.32	72.5	94.5	167	\$2,224.44	\$3,336.66
11	Clerk III	\$ 12.87	80.0	85.0	165	\$2,123.55	\$3,185.33
12	Clerk Typist I	\$ 11.82	80.0	83.0	163	\$1,926.66	\$2,889.99
13	Personnel Officer	\$ 20.49	80.0	80.0	160	\$3,278.40	\$4,917.60
14	Director	\$ 32.28	80.0	80.0	160	\$5,164.80	\$7,747.20
15	Deputy Director	\$ 26.59	79.5	80.0	160	\$4,241.11	\$6,361.66
16	Parole Officer II	\$ 19.13	47.5	107.0	155	\$2,955.59	\$4,433.38
17	Property Management Officer	\$ 15.96	80.0	72.0	152	\$2,425.92	\$3,638.88
18	Parole Officer I	\$ 14.82	100.0	47.0	147	\$2,178.54	\$3,267.81
19	Parole Officer I	\$ 14.08	57.0	76.0	133	\$1,872.64	\$2,808.96
20	Administrative Services Officer	\$ 24.00	80.0	48.0	128	\$3,072.00	\$4,608.00
	Remaining 15 employees		386	449	835	\$13,264.63	\$19,896.94
Sub-Total, Other DOC Divisions (35 Employees)			2,157	2,142	4,299	\$76,561.47	\$114,842.21

Appendix D: Overtime Hours Reported by Division, 2001 ~ 2002 – Selected Employees

Note: Only 40 ACF employees are portrayed in this table. Similarly, only 20 employees are portrayed for the HDF Division. However, totals for ACF and HDF Divisions reflect 129 and 48 employees, respectively.

Fiscal Year 2001

<i>Positions</i>	<i>Division</i>	<i>Overtime Hours Earned</i>	<i>Overtime Rate</i>	<i>Total Overtime Cost</i>	<i>Base salary</i>	<i>Average Weekly OT Hours</i>
Security Guard (Armed)	ACF	2,815.5	\$22.65	\$63,771.08	\$31,408.00	54.1
Correction Officer III	ACF	2,079.0	\$24.83	\$51,611.18	\$34,424.00	40.0
Correction Officer III	ACF	2,027.0	\$23.99	\$48,617.60	\$33,259.20	39.0
Correction Officer I	ACF	1,855.0	\$17.10	\$31,720.50	\$23,712.00	35.7
Correction Officer III	ACF	1,781.5	\$25.68	\$45,748.92	\$35,609.60	34.3
Correction Officer II	ACF	1,731.0	\$23.94	\$41,440.14	\$33,196.80	33.3
Correction Officer I	ACF	1,710.0	\$22.37	\$38,244.15	\$31,012.80	32.9
Correction Officer I	ACF	1,696.5	\$22.37	\$37,942.22	\$31,012.80	32.6
Correction Officer Supervisor II	ACF	1,668.0	\$28.70	\$47,863.26	\$39,790.40	32.1
Correction Officer Supervisor I	ACF	1,533.0	\$28.58	\$43,805.48	\$39,624.00	29.5
Correction Officer I	ACF	1,527.5	\$18.00	\$27,495.00	\$24,960.00	29.4
Correction Officer I	ACF	1,441.5	\$22.37	\$32,239.15	\$31,012.80	27.7
Correction Officer III	ACF	1,430.5	\$23.99	\$34,310.54	\$33,259.20	27.5
Correction Officer I	ACF	1,420.0	\$18.00	\$25,560.00	\$24,960.00	27.3
Correction Officer I	ACF	1,408.5	\$20.16	\$28,395.36	\$27,955.20	27.1
Correction Officer I	ACF	1,318.5	\$20.16	\$26,580.96	\$27,955.20	25.4
Correction Officer I	ACF	1,318.0	\$19.44	\$25,621.92	\$26,956.80	25.3
Correction Officer I	ACF	1,315.0	\$22.37	\$29,409.98	\$31,012.80	25.3
Correction Officer Supervisor II	ACF	1,257.0	\$29.69	\$37,314.05	\$41,163.20	24.2
Correction Officer I	ACF	1,182.5	\$20.16	\$23,839.20	\$27,955.20	22.7
Correction Officer I	ACF	1,154.0	\$23.15	\$26,709.33	\$32,094.40	22.2
Correction Officer I	ACF	1,153.0	\$19.44	\$22,414.32	\$26,956.80	22.2
Correction Officer I	ACF	1,117.0	\$20.16	\$22,518.72	\$27,955.20	21.5
Correction Officer I	ACF	1,108.0	\$14.27	\$15,805.62	\$19,780.80	21.3
Correction Officer I	ACF	1,105.0	\$17.10	\$18,895.50	\$23,712.00	21.3
Correction Officer I	ACF	1,075.0	\$20.16	\$21,672.00	\$27,955.20	20.7
Facility Superintendent	ACF	1,038.5	\$39.86	\$41,389.42	\$55,265.60	20.0
Correction Officer I	ACF	1,035.0	\$21.60	\$22,356.00	\$29,952.00	19.9
Correction Officer I	ACF	1,026.0	\$17.10	\$17,544.60	\$23,712.00	19.7
Correction Officer II	ACF	1,023.5	\$23.94	\$24,502.59	\$33,196.80	19.7
Correction Officer III	ACF	1,017.5	\$26.58	\$27,045.15	\$36,857.60	19.6
Correction Officer I	ACF	1,003.0	\$18.00	\$18,054.00	\$24,960.00	19.3
Correction Officer I	ACF	1,000.5	\$22.37	\$22,376.18	\$31,012.80	19.2
Correction Officer I	ACF	980.0	\$16.20	\$15,876.00	\$22,464.00	18.8
Correction Officer I	ACF	974.5	\$18.00	\$17,541.00	\$24,960.00	18.7
Correction Officer Supervisor II	ACF	962.5	\$25.82	\$24,846.94	\$35,796.80	18.5
Correction Officer Supervisor I	ACF	950.5	\$25.79	\$24,508.64	\$35,755.20	18.3
Correction Officer I	ACF	946.5	\$22.37	\$21,168.47	\$31,012.80	18.2

Correction Officer II	ACF	944.5	\$23.94	\$22,611.33	\$33,196.80	18.2
Correction Officer I	ACF	942.0	\$14.27	\$13,437.63	\$19,780.80	18.1
Other Correction Officers (89 items)	ACF	47,440.5	various	\$988,593.33		

ACF Total 100,512.5 \$2,171,397.44

Secretary (Typist) II	Casework	49.5	\$22.37	\$1,107.07	\$31,012.80	1.0
Correctional Social Worker I	Casework	44.5	\$22.23	\$989.24	\$30,825.60	0.9
Correctional Social Worker II	Casework	32.0	\$35.27	\$1,128.48	\$48,900.80	0.6
Correctional Social Worker III	Casework	15.0	\$32.12	\$481.73	\$44,532.80	0.3
Private Secretary	Casework	11.0	\$23.94	\$263.34	\$33,196.80	0.2
Private Secretary	Casework	0.0	\$23.94	\$0.00	\$33,196.80	0.0
Correctional Social Worker III	Casework	0.0	\$31.02	\$0.00	\$43,014.40	0.0
Correctional Social Worker III	Casework	0.0	\$38.13	\$0.00	\$52,873.60	0.0
Correctional Social Worker Admin	Casework	0.0	\$42.71	\$0.00	\$59,217.60	0.0

Casework Total 152.0 \$3,969.85

Storekeeper I	Director's Office	839.0	\$19.98	\$16,763.22	\$27,705.60	16.1
Administrative Assistant	Director's Office	456.0	\$25.68	\$11,710.08	\$35,609.60	8.8
Clerk Typist I	Director's Office	214.5	\$17.73	\$3,803.09	\$24,585.60	4.1
Clerk III	Director's Office	47.5	\$18.65	\$885.64	\$25,854.40	0.9
Administrative Services Officer	Director's Office	47.0	\$36.00	\$1,692.00	\$49,920.00	0.9
Director	Director's Office	10.0	\$48.42	\$484.20	\$67,142.40	0.2
Supply Supervisor	Director's Office	0.0	\$22.37	\$0.00	\$31,012.80	0.0
Personnel Officer	Director's Office	0.0	\$30.74	\$0.00	\$42,619.20	0.0
Property Management Officer	Director's Office	0.0	\$37.26	\$0.00	\$51,667.20	0.0
Deputy Director	Director's Office	0.0	\$39.89	\$0.00	\$55,307.20	0.0

Director's Office Total 1,614.0 \$35,338.22

Detention Facility Guard	HDF	2,966.0	\$20.88	\$61,930.08	\$28,953.60	57.0
Correction Officer I	HDF	1,896.0	\$19.44	\$36,858.24	\$26,956.80	36.5
Detention Facility Guard	HDF	1,782.0	\$19.44	\$34,642.08	\$26,956.80	34.3
Detention Facility Guard	HDF	1,757.0	\$23.15	\$40,665.77	\$32,094.40	33.8
Correction Officer I	HDF	1,566.0	\$16.20	\$25,369.20	\$22,464.00	30.1
Detention Facility Guard	HDF	1,442.5	\$18.72	\$27,003.60	\$25,958.40	27.7
Detention Facility Guard	HDF	1,436.0	\$20.88	\$29,983.68	\$28,953.60	27.6
Detention Facility Guard	HDF	1,408.5	\$18.00	\$25,353.00	\$24,960.00	27.1
Detention Facility Leader	HDF	1,385.0	\$21.60	\$29,916.00	\$29,952.00	26.6
Detention Facility Leader	HDF	1,342.0	\$24.78	\$33,254.76	\$34,361.60	25.8
Correction Officer Supervisor II	HDF	1,320.0	\$25.82	\$34,075.80	\$35,796.80	25.4
Correction Officer I	HDF	1,303.0	\$19.44	\$25,330.32	\$26,956.80	25.1
Correction Officer I	HDF	1,270.0	\$18.00	\$22,860.00	\$24,960.00	24.4
Detention Facility Leader	HDF	1,224.5	\$23.13	\$28,322.69	\$32,073.60	23.5
Detention Facility Guard	HDF	1,116.5	\$17.10	\$19,092.15	\$23,712.00	21.5
Detention Facility Guard	HDF	1,108.0	\$17.10	\$18,946.80	\$23,712.00	21.3
Detention Facility Guard	HDF	1,093.0	\$16.20	\$17,706.60	\$22,464.00	21.0

Correction Officer I	HDF	1,074.5	\$17.10	\$18,373.95	\$23,712.00	20.7
Correction Officer I	HDF	1,035.0	\$17.10	\$17,698.50	\$23,712.00	19.9
Detention Facility Leader	HDF	1,016.5	\$23.13	\$23,511.65	\$32,073.60	19.5
Other Guards & Officers (28 items)	HDF	15,941.5	various	\$301,484.27		

HDF Total 44,483.5 \$872,379.12

Psychiatric Technician I	Forensic	739.5	\$15.90	\$11,758.05	\$22,048.00	14.2
Psychiatric Technician II	Forensic	477.5	\$20.97	\$10,013.18	\$29,078.40	9.2
Staff Nurse II	Forensic	388.0	\$29.99	\$11,634.18	\$41,579.20	7.5
Psychiatric Technician II	Forensic	340.0	\$19.58	\$6,655.50	\$27,144.00	6.5
Psychiatric Technician II	Forensic	338.5	\$20.25	\$6,854.63	\$28,080.00	6.5
Psychiatric Technician I	Forensic	263.5	\$12.72	\$3,351.72	\$17,638.40	5.1
Psychiatric Technician I (LTA)	Forensic	248.0	\$12.72	\$3,154.56	\$17,638.40	4.8
Psychiatric Technician I (LTA)	Forensic	167.5	\$12.72	\$2,130.60	\$17,638.40	3.2
Psychiatric Social Services Administrator	Forensic	152.5	\$42.71	\$6,512.51	\$59,217.60	2.9
Chemical Dependency Technician Specialist III	Forensic	0.0	\$29.99	\$0.00	\$41,579.20	0.0

Forensic Total 3,115.0 \$62,064.92

Chief Parole Officer	Parole Svcs.	1,055.0	\$38.54	\$40,654.43	\$53,435.20	20.3
Correction Officer I	Parole Svcs.	874.0	\$17.10	\$14,945.40	\$23,712.00	16.8
Detention Facility Guard	Parole Svcs.	464.5	\$18.89	\$8,772.08	\$26,187.20	8.9
Parole Officer I	Parole Svcs.	450.0	\$21.12	\$9,504.00	\$29,286.40	8.7
Parole Officer II	Parole Svcs.	410.0	\$28.70	\$11,764.95	\$39,790.40	7.9
Parole Officer I	Parole Svcs.	352.0	\$21.12	\$7,434.24	\$29,286.40	6.8
Parole Officer III	Parole Svcs.	292.0	\$33.60	\$9,811.20	\$46,592.00	5.6
Parole Officer I	Parole Svcs.	254.5	\$20.01	\$5,092.55	\$27,747.20	4.9

Parole Svcs. Total 4,152.0 \$107,978.84

Grand Total 154,029 \$3,253,128.39

Nine Months Ending June 2002

Position	Division	Overtime Hours Earned	Overtime Rate	Total Overtime Cost	Base salary	Average Weekly OT Hours
Correction Officer III	ACF	1,736.0	\$23.99	\$41,637.96	\$33,259.20	43.4
Security Guard (Armed)	ACF	1,445.0	\$22.65	\$32,729.25	\$31,408.00	36.1
Correction Officer III	ACF	1,332.0	\$24.83	\$33,066.90	\$34,424.00	33.3
Correction Officer I	ACF	1,250.0	\$18.00	\$22,500.00	\$24,960.00	31.3
Correction Officer I	ACF	1,222.0	\$20.16	\$24,635.52	\$27,955.20	30.6
Correction Officer III	ACF	1,119.0	\$25.68	\$28,735.92	\$35,609.60	28.0
Correction Officer I	ACF	1,096.0	\$17.10	\$18,741.60	\$23,712.00	27.4
Correction Officer Supervisor II	ACF	1,090.5	\$28.70	\$31,291.90	\$39,790.40	27.3
Correction Officer I	ACF	1,072.0	\$18.00	\$19,296.00	\$24,960.00	26.8
Correction Officer I	ACF	1,064.0	\$18.00	\$19,152.00	\$24,960.00	26.6
Correction Officer I	ACF	933.0	\$20.16	\$18,809.28	\$27,955.20	23.3
Correction Officer I	ACF	864.5	\$22.37	\$19,334.54	\$31,012.80	21.6
Correction Officer Supervisor II	ACF	844.0	\$28.70	\$24,218.58	\$39,790.40	21.1
Correction Officer Supervisor I	ACF	795.0	\$28.58	\$22,717.13	\$39,624.00	19.9
Correction Officer I	ACF	789.0	\$23.15	\$18,261.41	\$32,094.40	19.7
Correction Officer I	ACF	779.5	\$17.10	\$13,329.45	\$23,712.00	19.5
Correction Officer I	ACF	756.0	\$19.44	\$14,696.64	\$26,956.80	18.9
Correction Officer I	ACF	722.0	\$20.16	\$14,555.52	\$27,955.20	18.1
Correction Officer I	ACF	714.0	\$14.40	\$10,281.60	\$19,968.00	17.9
Correction Officer I	ACF	711.0	\$22.37	\$15,901.52	\$31,012.80	17.8
Correction Officer III	ACF	706.0	\$26.58	\$18,765.48	\$36,857.60	17.7
Correction Officer I	ACF	678.5	\$19.44	\$13,190.04	\$26,956.80	17.0
Correction Officer III	ACF	676.0	\$24.83	\$16,781.70	\$34,424.00	16.9
Correction Officer I	ACF	671.0	\$22.37	\$15,006.92	\$31,012.80	16.8
Correction Officer I	ACF	670.0	\$19.44	\$13,024.80	\$26,956.80	16.8
Correction Officer III	ACF	655.5	\$26.58	\$17,423.19	\$36,857.60	16.4
Correction Officer I	ACF	651.0	\$23.15	\$15,067.40	\$32,094.40	16.3
Correction Officer I	ACF	648.0	\$14.27	\$9,243.72	\$19,780.80	16.2
Correction Officer I	ACF	639.5	\$18.00	\$11,511.00	\$24,960.00	16.0
Correction Officer II	ACF	620.5	\$23.94	\$14,854.77	\$33,196.80	15.5
Correction Officer I	ACF	613.5	\$16.20	\$9,938.70	\$22,464.00	15.3
Correction Officer III	ACF	608.0	\$26.58	\$16,160.64	\$36,857.60	15.2
Correction Officer II	ACF	606.0	\$23.94	\$14,507.64	\$33,196.80	15.2
Correction Officer I	ACF	596.0	\$22.37	\$13,329.54	\$31,012.80	14.9
Correction Officer I	ACF	587.0	\$22.37	\$13,128.26	\$31,012.80	14.7
Correction Officer Supervisor I	ACF	579.0	\$27.60	\$15,980.40	\$38,272.00	14.5
Correction Officer I	ACF	574.0	\$14.40	\$8,265.60	\$19,968.00	14.4
Facility Superintendent	ACF	572.5	\$39.86	\$22,816.99	\$55,265.60	14.3
Correction Officer Supervisor II	ACF	568.0	\$29.69	\$16,861.08	\$41,163.20	14.2
Correction Officer I	ACF	558.0	\$22.37	\$12,479.67	\$31,012.80	14.0
Other Correction Officers (89 items)	ACF	28,749.5	various	\$576,158.4		

ACF Total 61,562.0 \$1,308,388.59

Secretary (Typist) II	Casework	28.0	\$17.10	\$478.80	\$23,712.00	0.7
Correctional Social Worker III	Casework	0.0	\$31.02	\$0.00	\$43,014.40	0.0
Correctional Social Worker II	Casework	0.0	\$35.27	\$0.00	\$48,900.80	0.0

Correctional Social Worker III	Casework	0.0	\$38.13	\$0.00	\$52,873.60	0.0
Correctional Social Worker III	Casework	0.0	\$32.12	\$0.00	\$44,532.80	0.0
Correctional Social Worker I	Casework	0.0	\$22.23	\$0.00	\$30,825.60	0.0
Private Secretary	Casework	0.0	\$15.42	\$0.00	\$21,382.40	0.0

Casework Total 28.0 \$478.80

Administrative Assistant	Director's Office	213.0	\$25.68	\$5,469.84	\$35,609.60	5.3
Clerk Typist I	Director's Office	132.0	\$17.73	\$2,340.36	\$24,585.60	3.3
Storekeeper I	Director's Office	69.0	\$19.98	\$1,378.62	\$27,705.60	1.7
Clerk III	Director's Office	35.0	\$19.31	\$675.68	\$26,769.60	0.9
Personnel Officer	Director's Office	0.0	\$30.74	\$0.00	\$42,619.20	0.0
Deputy Director	Director's Office	0.0	\$39.89	\$0.00	\$55,307.20	0.0
Administrative Services Officer	Director's Office	0.0	\$36.00	\$0.00	\$49,920.00	0.0
Property Management Officer	Director's Office	0.0	\$22.40	\$0.00	\$31,054.40	0.0
Director	Director's Office	0.0	\$48.42	\$0.00	\$67,142.40	0.0

Director's Office Total 449.0 \$9,864.50

Detention Facility Guard	HDF	2,311.0	\$20.88	\$48,253.68	\$28,953.60	57.8
Detention Facility Guard	HDF	1,000.0	\$19.44	\$19,440.00	\$26,956.80	25.0
Correction Officer I	HDF	827.5	\$19.44	\$16,086.60	\$26,956.80	20.7
Detention Facility Guard	HDF	800.5	\$20.88	\$16,714.44	\$28,953.60	20.0
Correction Officer I	HDF	795.0	\$19.44	\$15,454.80	\$26,956.80	19.9
Correction Officer I	HDF	764.0	\$19.44	\$14,852.16	\$26,956.80	19.1
Correction Officer Supervisor II	HDF	753.0	\$25.82	\$19,438.70	\$35,796.80	18.8
Correction Officer I	HDF	736.0	\$17.10	\$12,585.60	\$23,712.00	18.4
Detention Facility Guard	HDF	727.0	\$20.16	\$14,656.32	\$27,955.20	18.2
Correction Officer I	HDF	678.0	\$18.00	\$12,204.00	\$24,960.00	17.0
Detention Facility Leader	HDF	605.0	\$23.13	\$13,993.65	\$32,073.60	15.1
Detention Facility Guard	HDF	591.0	\$23.15	\$13,678.70	\$32,094.40	14.8
Detention Facility Guard	HDF	587.0	\$17.10	\$10,037.70	\$23,712.00	14.7
Correction Officer I	HDF	584.0	\$18.72	\$10,932.48	\$25,958.40	14.6
Correction Officer I	HDF	582.5	\$17.10	\$9,960.75	\$23,712.00	14.6
Detention Facility Guard	HDF	562.0	\$17.10	\$9,610.20	\$23,712.00	14.1
Detention Facility Guard	HDF	559.0	\$18.72	\$10,464.48	\$25,958.40	14.0
Correction Officer I	HDF	549.0	\$16.20	\$8,893.80	\$22,464.00	13.7
Detention Facility Leader	HDF	529.5	\$21.60	\$11,437.20	\$29,952.00	13.2
Correction Officer I	HDF	508.0	\$17.10	\$8,686.80	\$23,712.00	12.7
Other Guards & Officers (29 items)	HDF	8,125.5	various	\$158,004.20		

HDF Total 23,174.5 \$455,386.28

Psychiatric Technician I	Forensic	383.0	\$15.90	\$6,089.70	\$22,048.00	9.6
Psychiatric Technician I (LTA)	Forensic	244.0	\$12.72	\$3,103.68	\$17,638.40	6.1
Psychiatric Technician II	Forensic	242.5	\$20.25	\$4,910.63	\$28,080.00	6.1
Psychiatric Technician I (LTA)	Forensic	203.0	\$12.72	\$2,582.16	\$17,638.40	5.1
Psychiatric Technician I (LTA)	Forensic	158.5	\$12.72	\$2,016.12	\$17,638.40	4.0
Psychiatric Technician II	Forensic	130.0	\$19.58	\$2,544.75	\$27,144.00	3.3
Staff Nurse II	Forensic	127.5	\$29.99	\$3,823.09	\$41,579.20	3.2
Psychiatric Technician II	Forensic	103.0	\$20.97	\$2,159.91	\$29,078.40	2.6

Psychiatric Technician I (LTA)	Forensic	55.5	\$16.55	\$918.25	\$22,942.40	1.4
Psychiatric Social Services Administrator	Forensic	37.0	\$42.71	\$1,580.09	\$59,217.60	0.9
Psychiatric Technician I (LTA)	Forensic	0.0	\$12.72	\$0.00	\$17,638.40	0.0

Forensic Total 1,684.0 \$29,728.37

Chief Parole Officer	Parole Svcs.	458.0	\$38.54	\$17,649.03	\$53,435.20	11.5
Correction Officer I	Parole Svcs.	249.0	\$17.10	\$4,257.90	\$23,712.00	6.2
Parole Officer II	Parole Svcs.	202.0	\$28.70	\$5,796.39	\$39,790.40	5.1
Parole Officer I	Parole Svcs.	170.0	\$21.12	\$3,590.40	\$29,286.40	4.3
Parole Officer III	Parole Svcs.	154.0	\$33.60	\$5,174.40	\$46,592.00	3.9
Parole Officer I	Parole Svcs.	125.0	\$22.23	\$2,778.75	\$30,825.60	3.1
Parole Officer I	Parole Svcs.	67.0	\$21.12	\$1,415.04	\$29,286.40	1.7

Parole Svcs. Total 1,425.0 \$40,661.91

Grand Total 88,322.5 \$1,844,508.44

Appendix E: Management Response



Department of Corrections

OFFICE OF THE DIRECTOR

Tel. No.: 475-6200-6222

Fax No.: 475-6208

APR 28 2003

MEMORANDUM

To: Public Auditor Doris Flores Brooks

From: Director

Subject: "OPA Report No. 03-02, Investigative Audit Report on the Department of Correction's Payroll and Overtime Practices covering the period October 1, 2000 through June 30, 2002"

Thank you for providing an opportunity to respond to the draft report entitled "OPA Report No. 03-02, Investigative Audit Report on the Department of Correction's Payroll and Overtime Practices covering the period October 1, 2000 through June 30, 2002" prior to public release. I congratulate you for addressing questionable practices within our government and for aggressively taking on allegations of fraud and abuse.

Your final report raises the following three allegations:

1. Discrepancies "between hours reported on time sheets for some DOC employees and the hours recorded in the entry and exit logs",
2. "Management Control system over the DOC payroll system was inadequate,"
3. "Preferential treatment exists in the payment of accumulated compensatory time."

Your stated objective was "to gather and analyze evidence to form a conclusion as to whether the evidence supports or does not support the allegations." The release of your final report, at this time, is problematic because it may place honest, hardworking employees of the department in an unfair position and may pose a problem for future prosecution. Until there is probable cause to pinpoint specific employees, I believe that this report should be kept confidential. Until specific individuals are indicted or arrested by the Attorney General's Office, publication should be held in abeyance so that no one is falsely accused of any crimes.

3

File # 03-02, Investigative Audit Report

Felix P. Gutierrez
Governor of Guam

Karla S. Mayhew
Lt. Governor of Guam

Frank T. Johnson
Director

Robert H. Sanchez
Acting Deputy Director

Francisco B. Crisostomo
Warden

Michael F. Quintero
Chief Parade Officer

Beverly A. Lutz
CCSD, Acting Administrator

Daniel A. Duran
Parole Administrator, MSU

Lisa M. Paulson
Administrative Services Officer

Felix D. Cruz
Personnel Officer

Reviewed by Office of the
Public Auditor

4/28/03
3:50PM

is falsely accused of any crimes.

Since the matter had been referred to the Attorney General's Office by your office for investigation and prosecution, it is also an unnecessary airing of possible illegal acts by certain employees. Should the matter go to trial, the report will further inflame the future jury pool and could potentially make it impossible to obtain a fair trial in Guam. I fear that should we go to trial and are able to obtain convictions, any questions concerning the lack of jury impartiality may be a reversible appeal issue.

Our government continues to face a difficult fiscal crisis and this department has not been spared the wrath of budget shortfalls during the past years. As a result, our staffing significantly decreased while our inmate and detainee population significantly increased. Our resources were further taxed by the sudden influx of undocumented immigrants from China between 1998 and 2001. Although there was no way to project the sudden influx of illegal immigrants, our resources, none the less, were severely taxed. Because DOC was not a budgetary priority during the past administration and steadily lost staffing from 1997 to this date, the added burden of the INS detainees brought a serious crisis which resulted in significant expenditures of overtime hours. The INS crisis forced DOC management to address the immediate problems but ignored the need for management controls.

Hints of preferential treatment were evident when I first reported for duty as director; however, I can assure all concerned that this is no longer the case. Fair treatment to all employees is the rule of the land for every aspect of the work place.

Yes. The DOC was guilty on all three counts cited; however, we must be cognizant of the difficulty faced during the handling of critical events and must blame the lack of direction and leadership on the previous administration. Changes have been made and these issues are no more.

The function of your office as stated in your mission statement is to "to achieve independent and nonpartisan assessments that promote accountability and efficient, effective management throughout the Government of Guam." You effectively handled your duties with the public release of "Department of Corrections Payroll and Overtime Practices Investigative Audit October 1, 2000 through June 30, 2002 Interim Report OPA Report No. 02-08" in November 2002. I find that this "Final Report" does not really report new information since the release of the original Interim Report. I do not believe that your office has published any other follow-up reports after the release of an Interim report. At this point, it will probably be impossible to request that you cancel your publication plans for the Final Report; however, I wish to request that you hold off on its release until the AG has had ample time to handle the investigation and possible prosecution of selected employees of this department.

Deficiencies in management controls were already noted in the Interim Report issued November of 2002, and no significant new information has been developed since the issuance of that report. This Final Report appears to be a refinement and enhancement of the same materials. The messages from the Interim Report were clearly and loudly received by this department and corrective measures have been taken. I would prefer that follow-up work be done in the form of letters between our respective agencies to resolve issues raised in the Interim and Final Reports. I have had several conversations with your office as well as with Attorney General Douglas Moylan concerning changes made by our department following the release of your early report. I suspect that this letter will not deter you from publication of this Final Report but feel that it is my duty to formally advise you of my concerns.

Based on the conclusions and recommendations contained in your Interim Report, we have made changes where changes are reasonable and practicable in order to properly implement internal controls with respect to timekeeping for regular, overtime, holiday, night differential, and hazardous pay. The Interim Report clearly cites possible fraud and abuse which should not have occurred. It is easy for me to state that "this happened during the last administration and shame on them"; however, I bear the responsibility of "fixing" our deficiencies, have worked hard with our employees to rectify the problems you cite, and must continue to carry out the critical missions of our department.

We redesigned our Time Sheet (See Attachments). The responsibility of maintaining the time sheet has been correctly assigned to the employee and supervisor. Prior to this change, time sheets were filled out on a daily basis by each employee and approved by a supervisor at the end of each pay period. As you are aware, this department works 24 hours per day and seven days per week. Since 24/7 shift work requires that the employee work under the direction of different supervisors, it was impossible for each supervisor to be sure that the employee really worked the hours and days claimed.

Our Central Control was designed to manage the security aspects of our operation and was never designed to handle time keeping functions. Since it does chronologically captures most DOC activities, it is a fairly good measure of time and attendance for our officers. During critical incidents and emergencies, documentation may be less than desirable since activities in the Central Control Room can become extremely hectic. It is my intention to improve operations by incorporating an automated data capture system for security, inmate records, inventory, time and attendance, and other significant activities. Significant improvement of our Central Control Blotter will follow with a new computerized data system. Due to budgetary constraints, however, it will not be possible to make all necessary improvements at this time.

Management Controls have been reviewed and enhanced where possible. These include reviews of time sheets by a supervisor during each shift. All employees assigned to the

Adult Correctional Facility (ACF) and the Guam Detention Facility (GDF) are required to log in and log out at Central Control. Employees assigned to the Parole Division and the Director's Office do not log in or log out of Central Control unless they work at ACF. Our best management control for time and attendance activity is still at the supervisory level. We now hold each employee accountable to his supervisor on a daily basis instead of a biweekly basis. With this change, I can assure you that the potential for fraud and abuse has been greatly reduced. This change did not cost additional funds.

This department carefully reviewed the Interim Report and quickly made changes. For example, we changed our work schedule from two platoons working 12 hour shifts to three platoons working eight hour shifts. As a result, we have saved 71% on overtime costs since the schedule change was implemented. The need to incur overtime, holiday, and hazardous costs cannot be eliminated because of the 24/7 nature of our work. A recent change in Guam's law has terminated night differential pay so this matter is no longer an issue.

We still accumulate overtime costs with this eight-hour schedule since correctional officers need to be provided with a safety briefing before a work shift and because of our serious staffing shortage. Each regular shift requires nine hours of work. This translates to 45 hours per week or 90 hours per pay period. Federal law allows us to pay 43 hours per week or 86 hours per pay period at regular time. I also authorize officers to incur overtime while attending mandatory training. Since employee morale for DOC workers is not the best amongst Government of Guam workers, sick calls and requests for annual leave present additional staffing shortages which require overtime enhancements from willing volunteers. Because our department is dangerously below a critical staffing level, any shift shortage will result in more overtime expenditures. In spite of these difficulties, we have managed to significantly reduce overtime costs.

Overtime costs have been significantly reduced over the 12-hour work day which actually required 13 hours of work per day. The 13-hour day on a five-day work week translated to 65 hours per week or 130 hours per pay period. The same 13-hour day on a 7-day schedule translated to 91 hours per week or 182 hours per pay period. While working a 7-day work week, an officer will earn 2.91 times his base pay. This is a critical point since questions were raised concerning why some of our officers were paid nearly triple their base salary.

We must ask the question, "why did we incur these expenses?". Let me say that during the period in question, significant overtime payments were made for prior fiscal years when our island was inundated with a major influx of illegal immigrants from China. The Immigration and Naturalization Service (INS) requested our department to house INS detainees pending adjudication. Between May of 1998 and April of 1999, 727 Chinese detainees were housed by our department. Because unmanageable numbers of INS detainees had to be housed, they severely tested our ability to safely house an already

understaffed facility. Our employees were required to work 13 hours per day, seven days per week for extended periods of time. Our overtime funds were inadequate and employees were not paid on a timely basis. Upon receipt of INS reimbursements, huge sums of overtime back-payments were made and as a result, some employees received nearly triple their base pay.

Yes. Management controls were inadequate during the period in question and they should have done a better job of verifying hours worked. The hard-working employees who were legally authorized to work the hours in order to protect our community from the massive influx of undocumented immigrants must not, however, be penalized. Because of the shortage of officers, the Governor of Guam authorized overtime payment to all supervisors and managers as well.

Absent specific evidence of fraud and abuse, we will have to pay all hours claimed. I request that you no longer attempt to block funding requests for overtime payments during future budget hearings and bridge financing plans. I can assure you that no hours will be paid for those which are illegally claimed. If we continue to delay payment of overtime, we face possible court action with the U.S. Department of Labor. Furthermore, we will face a possible class action law suit for nonpayment of overtime. In accordance with 4 GCA Section 6221, we can be forced to pay interest at the rate of 10% from the due date until the employee is paid. To further complicate matters, we currently face an administrative staffing shortage and may not be able to verify all unpaid overtime claims without assistance from other departments. My question for you concerning the audits of two pay-periods in FY 2001 and two pay-periods in FY 2002, is how many man-hours did those reviews take? How many man-hours should it take us to verify all employee records for both fiscal years?

Since we still owe our employees for unpaid overtime for fiscal years 2001 and 2002, absent a justified fiscal emergency, we will not disburse major repayments until we validate our records and funds are available. To avoid problems from the U.S. Department of Labor, we intend to pay for unpaid overtime for fiscal year 2003, when funds become available. Payments will be made on an equal basis to all employees.

With respect to Warden Francisco Crisostomo, he has been criticized for a prisoner escort trip from Beckley Federal Prison in West Virginia to Guam on July 16-18, 2002. He was given the opportunity to travel for personal reasons, which is allowed within our rules. The issue of the warden versus another officer traveling was a judgement call on the part of my predecessor. Since only one officer was deemed necessary for the escort trip, a slight savings might have been incurred if a junior officer was assigned the task; however, I must note that no other employee, albeit foolhardy, would have stayed awake during the entire trip without requiring lodging expenses and the assistance of a local jail in Houston. Upon arrival in Houston, the warden learned that he had missed his connecting flight to Honolulu and Guam. Instead of checking the inmate into a local jail and himself into a

hotel, the warden chose to stay in the Houston airport to await the next day flights home.

I calculated the warden's actual travel time and believe that he was overpaid. Since our government and employees are unaccustomed to handling travel between time zones as a routine part of time-keeping, I have no reason to suspect fraud. A payroll clerk routinely handles his time-sheets and did not utilize a standard clock for the travel time calculation. He was logged in for a total of 75 hours instead of 48 hours. I will address this matter with the warden and the Department of Administration (DOA) so that we can reconcile the 27 hours and have DOA apply that overpayment toward the balance of unpaid overtime he is still owed.

To summarize my response, I concur with your three findings as pre-existing conditions of this department when I assumed duties as director. Time sheet discrepancies existed, management controls were inadequate, and preferential treatment appear to have existed. Since assuming my duty as director, changes have been made to ensure that management controls are now in place in order to prevent a recurrence and in order to guarantee that all employees are treated fairly. Since employees are still owed unpaid overtime for fiscal years 2001 and 2002, absent a justified fiscal emergency, we will not disburse major repayments until we validate our records and funds are available. Unpaid overtime for fiscal year 2003, will be processed on an equal basis when funds become available.

To summarize my request, please delay the release of this report until the AG has determined if prosecution will be pursued and if that is the case, until the matter is adjudicated. Our United States Constitution guarantees due process and as a nation of law, we must assume that each individual is innocent until proven guilty.

I trust that other issues will arise from your audit and investigation and that I have probably not addressed all issues in this memo. As other issues are raised, I will transmit additional comments and responses.



FRANK T. ISHIZAKI

cc: Felix P. Camacho, Governor of Guam
Douglas Moylan, Attorney General

**Appendix F: Copy of OPA Report No. 02-08, DOC Payroll and
Overtime Practices Interim Report**

**Department of Corrections
Payroll and Overtime Practices**

**Investigative Audit
October 1, 2000 through June 30, 2002**

**Interim Report
OPA Report No. 02-08
November 2002**



Department of Corrections Payroll and Overtime Practices

**Investigative Audit
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**Interim Report
OPA Report No. 02-08
November 2002**

Distribution:

Governor of Guam
Speaker, 26th Guam Legislature
Senators, 26th Guam Legislature
Acting Director of Department of Corrections
Attorney General of Guam
U.S. Attorney for Guam
Director of Bureau of Budget and Management Research
Director of Department of Administration
U.S. Department of Interior
Office of Inspector General – Pacific Field Office



INTERIM REPORT

OPA Report No. 02-08
November 2002

Department of Corrections
Investigative Audit on Payroll and Overtime Practices
October 1, 2000 through June 30, 2002

In June 2002, the Office of the Public Auditor (OPA) initiated an investigative audit into the Department of Corrections' (DOC) payroll and overtime practices as a result of a series of allegations received through the OPA Hotline that there were improper payroll activities at DOC. The main purpose of the audit was to determine whether or not the evidence gathered supports the allegations.

Our audit was designed to focus specifically on payroll and overtime practices and the internal controls associated with them. The scope of the audit was the 21-month period from October 1, 2000 through June 30, 2002.

This interim report contains the preliminary results of the audit. A complete report on this audit will be released at a future date. This interim report is being issued in order to alert the Attorney General, the Guam Legislature, and the Governor of Guam of possible continuing violations of law resulting in the expenditure of **as much as \$4 million in unaccounted hours worked and paid**. The duty to issue this alert is pursuant to 1 GCA §1909(h) and §1918.

This report summarizes some of the most significant findings that OPA auditors are developing for this audit in order to provide timely information to government decision makers. The final report, however, may differ from the preliminary report for a variety of reasons: 1) OPA fieldwork has been substantially completed, however, there is information that has not yet been incorporated into the audit which may have a significant impact on the audit findings, 2) A review of working papers has not been fully completed by OPA supervisory and management staff, and 3) This interim report has not been processed through OPA's quality control review process.

Summary of Findings

Perhaps the most significant finding of our audit is the discrepancy between the hours reported on DOC employee time sheets and the hours worked as documented by the Central Control Blotters. We found several practices that indicate possible collusion, fraud, and abuse.

According to DOC Unit Directive ACF 2000-04, all platoon personnel, satellite units, and support sections of the Adult Correctional Facility (ACF) in Mangilao and the Hagåtña Detention Facility (HDF) are required to report and secure with

the Central Control Blotters when reporting to and securing from duty. However, our audit revealed that management failed to enforce this directive as we found widespread noncompliance by employees. We compared the number of hours reported on time sheets with the hours stated on their Central Control Blotters and found discrepancies that amounted to thousands of hours and hundreds of thousands of dollars.

We non-statistically selected two pay periods in FY2002 for testing and found that for one pay period, at least **3,671 hours were reported on time sheets that could not be verified** with the Central Control Blotters. Using the respective pay rates for the employees, we estimated the dollar value of this discrepancy of unaccounted hours to be **\$50,591**.

We performed the same comparison for another pay period and found there were **at least 3,469 hours that could not be confirmed with the Central Control Blotters**. We applied the pay rates to these unaccounted hours and estimated the dollar value of the discrepancy to be **\$47,927**. These unaccounted hours are attributed only to the correctional and detention facilities of DOC.

Because we used non-statistical sampling methods, we could not extrapolate these results in a statistically sound manner. However, if the findings from the two pay periods tested are indicative of the other 46 pay periods, by simply multiplying these unaccounted hours across 46 pay periods, which was our scope period, **the dollar value of unaccounted hours could be in excess of \$2,265,914**.

While there may be reasonable explanations for some of the discrepancies, we believe that the majority of the differences indicate a total breakdown of control over payroll timekeeping and willful neglect of DOC management of their fiduciary responsibility to enforce established payroll policies and procedures. Management made little or no independent checks or counter checks to verify the majority of hours worked claimed by employees.

Time Sheets

DOC Special Order 2000-03 governs the procedures regarding the preparation of time sheets. Despite the adoption of this policy, we found that time sheets are still being prepared improperly. Most supervisors do not verify hours worked on employees' time sheets. The Warden and his administrative staff, for example, often attest to the hours of employees they do not directly supervise. The Warden claimed that as the highest authority in the facility, he is authorized to sign as supervisor. While we do not dispute the authority of the Warden to sign time sheets, we do not believe this practice provides for adequate checks and balances and allows for possible collusion.

Our audit also revealed that employees were being paid for hours when they were not on duty. During our testing, we found several instances where the

Central Control Blotter indicated that employees had called in to say they would not be in for work, however, their time sheets reflected that they were paid for those hours anyway. We also found instances in which certain employees consistently failed to report for duty, yet were paid as if they had worked the entire shift, and more.

Holiday Pay

Our audit found that employees are allowed to select the day with the most hours worked in a holiday week as the day for which they will receive holiday pay. This allowed employees to maximize their holiday pay and be paid twice their regular rate. We also found that on holidays, many employees are allowed to work more hours than they work on a typical day. We found no documentation justifying the need for additional hours.

Overtime

According to DOC staff, it has been a practice to prevent employees from working more than 16 hours per day. However, we saw several instances where employees worked more than 16 hours a day.

One such instance was evident in the time sheet of the Warden. The time sheet reflected 19 hours on one day, 24 hours the following day, and 19 hours on the third day for a total of 62 hours recorded over the first three days. For that pay period, the Warden recorded 101 hours of regular pay, 62 hours in overtime, 59 hours of night differential, 148 hours of hazardous pay and 20 hours of holiday pay. We attempted to verify the number of hours worked against the Central Control Blotter and found no evidence that the Warden was present at the correctional and detention facilities during the first three-day period where he claimed 62 hours. Additionally, there was no documentation justifying the need for him to incur such long hours. The Director, as the supervisor, **did not sign** the Warden's time sheet. The only signatures present were the Warden's, the timekeeper's, and the certifying officer's.

Hazardous Pay

The Civil Service Commission had conducted an investigation into the hazardous pay of DOC in early 2001. Their investigation called for corrective actions to cease the practice of compensating the 10% hazardous pay for all hours that an employee within the Director's Office reports. According to their investigation, the 10% differential shall be applicable only during time of actual exposure and is not to be based on the employee's duty schedule.

Our audit revealed that employees within the DOC Director's Office, which is located in Tiyan were still incurring hazardous pay in mid 2001. Instead of stopping the hazardous pay in the Director's Office, DOC had detailed inmates in the Director's Office in order to justify the "life threatening environment" requirement. Therefore, DOC administrative staffs were still able to incur hazardous pay.

Excessive Salaries

We found that employees are receiving two or three times the amount of their base annual salary as annual earnings. For example, a Corrections Supervisor I who has a base salary of \$39,624 was allowed to earn \$88,200 in 2001 and \$120,370 in 2000. A Security Guard with a base salary of \$31,408 was allowed to earn \$94,131 in 2001 and \$90,407 in 2000. Another example is a Detention Facility Guard who has a base salary of \$27,955 was allowed to earn \$85,214 in 2001 and \$94,683 in 2000.

Employees not only receive overtime pay, but also night differential, hazardous, and when available, holiday pay. The table in **Exhibit A** illustrates top 30 earnings compared to base pay for DOC employees for calendar years 2000 and 2001.

If these employees are under the Defined Benefit Plan, their excessive salaries will have detrimental effects on the Retirement Fund because the three highest annual earnings will determine the retiree's annuity.

No Justification for Overtime

According to the Special Order 2000-03, DOC is required to maintain records justifying any overtime incurred. However, we found that DOC had been lax in complying with this order. The forms were only being utilized at the correctional facility and even then, the forms filed were incomplete. The **Acting Director acknowledged that they do not utilize the overtime justification forms at the Director's Office.**

DOC continues to incur overtime despite exhausting its appropriation for overtime. DOC defers payment of overtime to employees until funds are appropriated or transferred to DOC. We found that for FY2001, DOC was budgeted \$1,092,818 for overtime, yet actual overtime incurred exceeded \$3 million. As of June 30, 2002, approximately \$1,036,566 in overtime has yet to be paid to DOC employees.

Internal Control Deficiencies:

Timekeeping at the ACF and HDF

DOC correction and detention facilities utilize a Central Control Blotter system as the main timekeeping mechanism. Upon review of the internal controls over DOC blotters, we discovered several weaknesses in its design. We found that the blotter is utilized not only for timekeeping purposes, but also for operational purposes. Because the blotters not only contain timekeeping data, but also operations data, the need to sift through payroll and operations data makes it more difficult to utilize the blotters to verify the actual hours worked. Another weakness is the potential for human errors and omissions because corrections officers make all entries manually.

Timekeeping at Other DOC Locations

For corrections officers assigned outside the main correctional and detention facilities (VRS, Transport, etc.), there is little one can do to effectively verify the employees' hours if the employees do not report and secure with the Central Control Blotters. Also, the main correctional facility in Mangilao has several exit and entryways, making it possible for employees to enter in and exit out of the facility and bypass the Central Control Blotters.

In contrast with the correctional and detention facilities, the other DOC divisions, Casework, Forensics, Parole, and Director's Office failed to adopt any timekeeping procedures to track hours worked. Division heads rely on their observation and memory to track their employees' hours at work.

For example, the Director approves the time sheets of all division heads. However, the Director does not verify the hours worked. The Acting Director stated in a September 24, 2002 interview that there is no time clock or procedures to clock in and out established in the Director's office. He stated that people in the office work "flexible hours" as they come in during the weekends. With regards to verification of time sheet hours, he further said, "I put the trust in them if they are giving me the proper times..." He mentioned that there is a clause in the time sheet stating that upon signing the sheets, they are declaring that the hours stated are true and correct under the penalty of perjury.

Such lack of control over hours worked allowed the Chief Parole Officer to receive annual earnings of \$97,961 and \$103,998 for calendar years 2001 and 2000, respectively, from a base salary of \$53,435 with little to no verification.

We performed an analysis on the hours reported by the other DOC divisions for two pay periods in FY2002. Although employees in these divisions are not required to report and secure with the Central Control Blotters, we attempted to track hours worked documented in the Central Control Blotters. **We calculated that at least 2,155 hours (or the dollar equivalent of \$36,972) were unaccounted for in one pay period. Another 2,137 hours (or the dollar equivalent of \$38,679) were unaccounted for in another pay period.** These unaccounted hours are only attributed to the Casework, Forensics, Parole, and the Director's offices.

Because we used non-statistical sampling methods for these four divisions, we could not extrapolate the results in a statistically sound manner. However, if the findings from the two pay periods tested are indicative of the other 46 pay periods, by multiplying these unaccounted hours across 46 pay periods, **the dollar value of unaccounted hours could be in excess of \$1,739,973.**

Preliminary Conclusion

The findings in this interim report indicate a serious disregard and neglect of fiduciary duties by the management of the Department of Corrections. There has been a complete breakdown of internal controls over payroll timekeeping in the areas of regular hours, overtime, holiday pay, night differential, and hazardous pay. Although many people were in a position to know that abuses were taking place at DOC with respect to overtime and hours worked, we found little evidence that anyone questioned the authority of the Warden, certain supervisors, and other personnel to incur apparently excessive and unjustified earnings. Many of the people in authority participated in and were paid two to three times their base pay as can be seen in the attached schedule. In short, a large number of people were responsible for the breakdown of controls at DOC that appear to have resulted in significant indications of possible fraud, waste and abuse of government funds.

Recommendations

We recommend that the Director of DOC implement the requirement that all personnel be required to log in and out of the Central Control Blotters, that all overtime be justified, and hours claimed be independently verified.

We recommend that the Governor of Guam and the Guam Legislature thoroughly scrutinize any request for supplemental appropriation to the Department of Corrections to pay past due overtime hours. The Governor and the Legislature should independently verify the veracity of overtime submitted for payment.

We recommend that the Guam Legislature enact legislation to discontinue the practice of allowing non-base pay, which includes overtime and other supplementary pay, to be included in the three highest years for the calculation of the retiree's annuity for members of the Defined Benefit Plan.

We recommend that the Attorney General determine if any of the activities constitute illegal acts and to conduct a further investigation into overtime activities at DOC.

Management Response

We provided an opportunity for the Acting Director of DOC to review the interim report in draft form. He indicated that he generally concurred with the findings and had already taken action to eliminate overtime payments for management equivalent positions such as the Warden, Captains, etc. With respect to the other divisions such as Forensics, Casework, etc. he does not believe that there is a significant opportunity for abuse as there is not much overtime worked in those divisions. With respect to the holiday pay issue, the Director was not prepared to concur or provide a comment.

Limitations of the Report

The period covered by our report was the 21-month period from October 1, 2000 through June 30, 2002 and does not cover any period prior to or subsequent to these dates. Our audit is being conducted in accordance with *generally accepted government auditing standards*.

This interim report has been provided to the Governor of Guam, the Speaker and Senators of the 26th Guam Legislature, the Acting Director of Corrections, the Attorney General of Guam, the U.S. Department of Interior, Office of Inspector General Guam Unit, and the U. S. Attorney for Guam. This report is a matter of public record and its distribution is not limited.

This report does not provide conclusions involving legal determinations.

OFFICE OF THE PUBLIC AUDITOR



Doris Flores Brooks, CPA
Public Auditor

Exhibit A

Comparative Table of Actual and Budgeted Annual Income

Calendar Year 2001 Annual Income			Calendar Year 2000 Annual Income		
Employee by Title	W-2 Earnings	Base Salary	Employee by Title	W-2 Earnings	Base Salary
Facility Superintendent *	104,600.02	55,265.60	Facility Superintendent	130,602.58	55,265.60
Corr. Officer I	97,960.64	31,012.80	Corr. Officer Supervisor I	120,369.90	39,624.00
Chief Parole Officer	94,307.92	53,435.20	Corr. Officer Supervisor II	115,207.52	39,790.40
Security Guard	94,131.17	31,408.00	Chief Parole Officer	103,997.88	53,435.20
Corr. Officer Supervisor II	92,162.87	39,790.40	Corr. Officer Supervisor II	100,343.38	39,790.40
Corr. Officer Supervisor I	88,199.75	39,624.00	Corr. Officer Supervisor II	99,600.36	41,163.20
Detention Facility Guard	85,602.44	32,094.40	Corr. Officer Supervisor II	95,988.63	35,796.80
Detention Facility Guard	85,213.50	28,953.60	Detention Facility Guard	94,682.94	28,953.60
Corr. Officer III	84,102.29	34,424.00	Corr. Officer III	94,090.22	35,609.60
Corr. Officer III	83,185.22	35,609.60	Security Guard	90,407.34	31,408.00
Corr. Officer Supervisor II	80,993.01	41,163.20	Corr. Officer III	89,352.24	33,259.20
Corr. Officer II	79,027.49	33,196.80	Corr. Officer Supervisor II	84,047.60	42,619.20
Corr. Officer III	77,369.23	34,424.00	Corr. Officer III	82,991.47	34,424.00
Corr. Officer Supervisor II	76,555.29	42,619.20	Corr. Officer II	80,634.97	33,196.80
Corr. Officer Supervisor II	73,921.83	39,790.40	Corr. Officer III	79,564.63	36,857.60
Director ⁺	73,759.82	67,142.40	Corr. Officer I	75,700.63	32,094.40
Corr. Officer III	73,426.15	33,259.20	Corr. Officer I	75,445.53	31,012.80
Corr. Officer Supervisor II	70,770.71	35,796.80	Director	74,792.77	67,142.40
Corr. Officer I	70,394.56	31,012.80	Corr. Officer II	74,063.38	33,196.80
Corr. Officer Supervisor I	70,180.17	35,755.20	Corr. Officer I	73,867.24	32,094.40
Corr. Soc. Work Admin.	69,655.21	59,217.60	Corr. Officer Supervisor I	73,365.36	35,755.20
Corr. Officer III	68,948.54	36,857.60	Corr. Officer Supervisor I	73,323.52	40,996.80
Detention Facility Leader	68,270.65	34,361.60	Detention Facility Guard	72,879.11	28,953.60
Corr. Officer I	67,753.73	31,012.80	Corr. Officer Supervisor II	70,966.25	35,796.80
Psych. Soc. Service Admin.	67,700.28	59,217.60	Psych. Soc. Service Admin.	70,353.46	59,217.60
Parole Officer II	67,538.40	39,790.40	Corr. Officer Supervisor I	69,586.50	38,272.00
Detention Facility Leader	67,072.60	32,073.60	Corr. Officer I	69,526.94	27,955.20
Parole Officer III	67,067.78	46,592.00	Corr. Soc. Work Admin.	68,578.20	59,217.60
Deputy Director	64,796.22	55,307.20	Detention Facility Leader	66,855.72	32,073.60
Corr. Officer I	64,600.02	27,955.20	Corr. Officer III	65,920.63	36,857.60
Total amount	2,329,267.51	1,198,163.20	Total Amount	2,537,106.90	1,171,830.40
As % of Total DOC Salaries	22%		As % of Total DOC Salaries	23%	

Note: Subsequent to the issuance of the Interim Report, we were advised by the Department of Administration that some of the W2 Earnings data we received from them for calendar year 2001 may have been overstated.

* Facility Superintendent is also known as the Warden

⁺ The variance between the Director's base salary and actual earned income (W-2 Earnings) is attributed to hazardous pay, holiday pay, and the fact that he was allowed to incur more than 80 hours per pay period at regular rate.