



Alcohol, Drug & Mental Health Services

Phone Line Overtime Report

October 11, 2013



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REFERRAL AND NOTIFICATION

In January of 2013, the Internal Audit Division of the Auditor Controller's Office was notified that two Alcohol, Drug and Mental Health Services (ADMHS) employees (Employee A and Employee B) had potentially over reported and were overpaid amounts of overtime. The overtime was recorded in connection with duties related to staffing a 24 hour phone line. From December 12, 2011 through December 9, 2012, overtime charged by the two employees amounted to approximately \$84K. Regular time charged for both employees amounted to approximately \$94K for the same period.

RESULTS IN BRIEF

This report concludes that two employees were overpaid amounts of overtime. The overpayment was facilitated by managements' lack of review of overtime worked. The employees were overpaid through the following methods:

1. Overtime was claimed while working regular duty. This resulted in employees being paid at both the regular and overtime rates for the same time period worked.
2. A minimum of one hour of overtime per call was claimed, regardless of the duration of the call and overtime actually worked. This resulted in overtime payments made for time not worked.

Our calculation of the overpayment of overtime to the employees amounted to approximately \$20K for Employee A and \$32K for Employee B for the period under review.

BACKGROUND

Certain ADMHS employees staff a 24 hour toll free phone line. The purpose of the line is to provide 24 hour mental health services to the community. Employees gather information to provide interventions regarding safety, current mental health status, substance abuse, and other non-emergency needs. Callers are referred to clinical teams for further care, and in some cases, staff members directly manage crisis with callers over the phone. Typical calls that are received on the line include:

- Referral- Primary care physician recommended the line to the caller
- Informational- Callers seeking information on services
- Crisis- Callers experiencing crisis or episode, seeking immediate assistance

The phone line is funded through State Mental Health Services Act (MHSA) monies.

From Monday through Friday, 8:00am-5:00pm, the phone line is answered by an employee who is on regular duty. After 5:00pm, the calls are forwarded to an employee on regular duty, or to an employee on stand-by duty.

Employees are required to log all calls and other pertinent information in the department's ShareCare system. Employees are compensated for standby hours based upon the

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Memorandum of Understanding (MOU) for their applicable bargaining unit Local Group 620. MOU for **Local Group 620, SECTION 26. Standby Pay**, states that standby will be compensated based upon the following:

- *Compensation shall be at the rate of \$3.00 per hour for each hour on such stand-by duty and shall be paid at the same time as scheduled for the pay period in which the stand-by duty was performed.*
- *Stand-by pay, when properly authorized, shall be paid for a minimum of one hour.*
- *In addition to the hourly rate provided above, employees shall receive a payment of \$10.00 for each call received between the hours of 12:00 midnight and 6:00 a.m.*

The same section of the MOU states the following:

- *Employees other than those exempted from overtime compensation shall, when called to active duty while on stand-by status, be compensated for such active duty at the applicable overtime rate. Work time for an employee called to active duty while on stand-by status shall begin at the time of notification to report to a job site and shall continue until the employee completes work and returns to home (or the location called out from), the nearest regular work site or the county line, whichever is the shortest distance. A minimum of one hour at the appropriate rate shall be paid in those cases when an employee on stand-by status is required to report to a job site, but the minimum shall not apply for work performed at another location.*
- *No employee shall be paid for standby duty time and other compensable duty time simultaneously.*

In the summer of 2011, Human Resources discussed the application of the \$10 payment provided for in the MOU for each call received between 12:00am and 6:00am with ADMHS management and staff. It was determined that in lieu of utilizing \$10 per call, coding of overtime was more appropriate and that time employees spend receiving and documenting calls is considered "active duty".

Employee A generally works night shifts, [REDACTED], while Employee B generally works day shifts, [REDACTED]. Therefore, regular duty hours would be during those respective hours. Since standby rules do not allow for simultaneous payment of regular pay and standby pay, employees would only be eligible for standby and overtime pay outside of their regular scheduled shifts and outside of regular phone line operating hours of Monday-Friday, 8:00am-5:00pm.

[REDACTED]

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PROCEDURES

To determine whether overtime was overpaid, Internal Audit performed the following procedures for the period between December 26, 2011 and December 23, 2012:

- Obtained and reviewed policies and procedures related to the phone line.
- Interviewed the employees and employees' supervisor and managers to determine their understanding of time coding procedures, and how these procedures were communicated to the employees.
 - Employee A (A)
 - Employee B (B)
 - Supervisor X = Direct supervisor of employees A and B.
 - Manager Y = Manager of the phone line.
 - Manager Z = Manager of Supervisor X.
- Reviewed timecards to determine supervisor approval.
- Calculated the amount of overtime due to employees A and B based upon the MOU, staff schedules, call data logged into the ShareCare system, and phone records.
- Reviewed email communications regarding time entry.
- Performed analytical review of hours to validate results.

Findings, Observations & Recommendations

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Finding #1 – Management neglected to adequately review timecards.

Supervisor X approved Employee A and Employee B's timecards without adequately reviewing the overtime reported related to phone line hours. According to Supervisor X, Manager Y was responsible for reviewing and approving the hours. However, we noted that Supervisor X's or Manager Z's <electronic> signature was on the timecards, not Manager Y's signature. Discussion with Manager Y revealed that Manager Y believed that Supervisor X was reviewing the overtime hours reported on the timecards.

Recommendation: We recommend that a formal process for approving overtime for the phone line be implemented. At a minimum it should include a formal overtime pre-approval process, documentation of the time card review performed evidencing the person performing the review, a procedure for documenting times worked (i.e. activity log), and a comparison of logged phone line time in the Sharecare system to overtime claimed in the timecard. In addition, ADMHS should set up a separate identifier for phone line calls logged into Sharecare to facilitate the review.

Finding #2 – There were erroneous applications of the MOU related to standby pay and overtime.

Upon review of email correspondence, we noted that employees, supervisors, and managers, received timecard coding instructions including the following:



While interviewing Supervisor X, Manager Y, and Manager Z, we inquired as to when employees were allowed to record overtime while working the phone line during the period under review. Supervisor X was unclear of other overtime rules related to the phone line and/or working standby. When the same inquiry was made of Manager Z, it was stated that an

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employee cannot work over 24 hours in one day and that if regular hours were worked the same day, overtime and standby could not exceed 14 hours. Manager Z also stated that even if employees A and B received a 20 minute call, they were allowed to code an entire hour of overtime. Manager Y stated that Employee A had the understanding that any time taking phone line calls during the regular work schedule could be coded to overtime, despite emails from HR and Manager Y. Manager Y also stated that upon looking through the time coded for calendar year 2012 by employees A and B, overtime paid “looked unreasonable.” Furthermore, Manager Y has experience as a phone line worker and stated that documenting calls should only take approximately 15 minutes per call.

The employees either were performing the phone line duties during regular work hours or at another location. According to the MOU, an hour of overtime can only be charged when an employee on stand-by status is required to report to a job site, but the minimum shall not apply for work performed at another location. Therefore, the minimum hour of overtime allowance would not be applicable. Furthermore, the MOU clearly states that “no employee shall be paid for standby duty time and other compensable duty time simultaneously.”

[REDACTED]

[REDACTED]

[REDACTED]

Recommendation: We recommend that ADMHS determine appropriate staffing for the phone line to reduce overtime claimed and eliminate opportunities for fraudulent time coding. The department should examine whether staffing should be assigned to employees on regular duty or to available overtime-exempt staff. An evaluation of whether the line could be staffed through a call service should also be made. Employing these methods would eliminate potential situations where overtime overpayments could occur.

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Finding #3 – Employees were overpaid overtime.

We calculated the amount of overtime for employees A and B for the period between December 26, 2011 and December 23, 2012, based upon information that we received from our interviews of staff, review of ShareCare logged calls, staff schedules, and review of Verizon phone records. Specifically we performed the following:

- Matched ShareCare logged calls and call lengths to call detail on Verizon cell phone records. ShareCare logged calls that could not be matched were excluded from our calculation.
- Evaluated overtime and standby eligibility to ensure that only calls taken outside of employee regular hours and regular employee phone line staffed hours were claimed (reported below as “Matched Calls that are Overtime Eligible.”) Calls taken during regular hours were excluded from our calculation. In addition to the call duration, we applied a 20 minute per call allowance to account for administrative functions, including logging data into ShareCare.
- Rounded up any partial hours of overtime to the next full hour for each day when calculating overtime.

For the period reviewed, it appears that employee A and B overstated the amount of minutes logged into ShareCare. Based upon the procedures above, we noted the following:

	Minutes logged in ShareCare	Minutes matched to Verizon	Matched Minutes that are Overtime Eligible
Employee A	20,883 minutes	7,404 minutes	4,894 minutes
Employee B	25,862 minutes	6,726 minutes	5,537 minutes

	Calls logged in Sharecare	Calls matched to Verizon	Matched Calls that are Overtime Eligible
Employee A	1,071 calls	968 calls	457 calls
Employee B	998 calls	931 calls	646 calls

	Billed Overtime Hours	Calculated Overtime Hours
Employee A	809 hours	314 hours
Employee B	1,176 hours	401 hours

Employee A: 20,883 minutes (logged); 7,404 minutes (matched to Verizon); 4,894 overtime eligible minutes (answered outside of regular time and regularly staffed phone line hours).

The average duration of a call taken by Employee A, based upon the employee’s logged entries into the ShareCare system for the period, was 20 minutes. According to corresponding Verizon cell phone records, the average duration of a call was eight minutes. After determining overtime

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eligible calls, and adding an assumed 20 minutes of administration time per call, overtime was calculated to 314 hours compared to the 809 hours that were billed.

Employee B: 25,862 minutes (logged); 6,726 minutes (matched to Verizon); 5,537 overtime eligible minutes (answered outside of regular time and CARES South regular hours).

The average duration of a call taken by Employee B, based upon the employee's logged entries into the ShareCare system for the period, was 26 minutes. According to corresponding Verizon cell phone records, the average duration of a call was seven minutes. After determining overtime eligible calls, and adding an assumed 20 minutes of administration time per call, overtime was calculated to 401 hours compared to the 1,176 hours that were billed.

In addition to recalculating overtime associated with calls received in 2012, we also made a random sample selection of 50 days from the calculated data to review specific time coding data in greater detail. We noted the following from the sample:

- Employee A claimed 126 hours of overtime and logged 127 calls into ShareCare. However, only 79 of the calls matched the Verizon phone records and were taken outside of regular work hours. This indicates that the employee claimed approximately 1 hour of overtime for each call received and coded overtime while working regular hours.
- Employee B claimed 190 hours of overtime and logged 149 calls into Sharecare. However, only 121 of the calls matched the Verizon phone records and were taken outside of regular work hours. This indicates that the employee claimed approximately 1.3 hours of overtime for each call received and coded overtime while working regular hours.

These results from the overtime recalculation and random sample selection indicate that:

1. Employees were paid standby pay and/or overtime pay while working regular duty.
2. Employees were paid a minimum of one hour of overtime for each call taken, regardless of the duration of the call and overtime actually worked.
3. The duration per phone call was overstated when logged into ShareCare.

Our recalculation of the employees' hours indicates that Employee A was overpaid approximately \$20K while Employee B was overpaid approximately \$32K.

In order to validate the results of our computation of the employees' overtime, we calculated the ratio of overtime hours claimed to total phone line hours claimed and compared the results to prior years 2010 and 2011. We also compared the calculated ratio to recent pay periods in 2013 (year-to-date), after employees had been notified to code time appropriately and review of time cards had been implemented by managers. The calculated ratio was also compared with Manager Y's expectations of phone line operations. When comparing overtime ratios for past and current periods of time, and for other phone line employees, it appears that phone line staff generally work between 6-15 percent overtime of all phone line hours worked. However, from

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December 12, 2011 through December 9, 2012, Employee A reported working approximately 29 percent of phone line hours as overtime and Employee B reported working approximately 40 percent of phone line hours as overtime. Our re-computed hours reflected an approximate 13 percent overtime rate for Employee A and approximately 14 percent for Employee B, which was consistent with our expectations. The computations and comparisons are depicted in Appendix A.

Recommendation: The Department should recover the amounts that were inappropriately paid to employees.

Please provide a response to the recommendations in the report within 30 days to the Internal Audit Division of the Auditor-Controller's Office.

ADMHS Phone Line Overtime Hours and Dollars Analytics

	2010 Hours	% of Time	2010 Dollars	2011 Hours	% of Time	2011 Dollars	2012 Hours	% of Time	2012 Dollars	2013 Hours	% of Time	2013 Dollars	2012 Hours	% of Time	2012 Dollars
Employee A	<i>Based on Payroll Summary for Payroll Calendar 2010</i>			<i>Based on Payroll Summary for Payroll Calendar 2011</i>			<i>Based on Payroll Summary for Payroll Calendar 2012</i>			<i>Based on first seven pay periods of Payroll Calendar 2013</i>			<i>AC REVISED Based on ShareCare, Verizon and employee schedules</i>		
Overtime FLSA				198	14%	\$ 8,440.11	876	29%	\$ 35,939.81	87	16%	\$ 3,597.45	314	13%	\$ 12,883.42
StandBy				1,208	86%	\$ 3,624.00	2,106	71%	\$ 6,318.00	443	84%	\$ 1,329.90	2,053	87%	\$ 6,159.00
Employee B															
Overtime FLSA	478	21%	\$ 21,246.52	422	14%	\$ 17,400.49	1,198	40%	\$ 48,355.91	130	22%	\$ 5,323.99	401	14%	\$ 16,184.36
StandBy	1,749	79%	\$ 5,247.00	2,513	86%	\$ 7,537.50	1,767	60%	\$ 5,301.00	472	78%	\$ 1,416.00	2,480	86%	\$ 7,440.00
Manager Y's expectations															
Overtime FLSA	10	12%	na	<i>Note: Manager Y's expected ratio relating to hours only; dollar amounts would vary and is noted with "na"</i>											
StandBy	75	88%	na												
Other Employee 1															
Memo (Access)	20	11%	*	<i>Note: Employee was overtime exempt; noted with " * "</i>											
StandBy	166	89%	\$ 498.00												
Other Employee 2															
Overtime FLSA	48	12%	\$ 1,837.79	80	15%	\$ 3,000.03									
StandBy	362	88%	\$ 1,086.00	442	85%	\$ 1,324.50									
Other Employee 3															
Overtime FLSA	124	10%	\$ 4,328.04	31	6%	\$ 1,125.34									
StandBy	1,174	90%	\$ 3,522.00	462	94%	\$ 1,386.00									