

CALIFORNIA MILITARY DEPARTMENT

Improper Payments to Employees

ALLEGATION NUMBER I2002-1069 (REPORT I2004-2),
SEPTEMBER 2004

California Military Department response as of July 2004

We investigated and substantiated an allegation that the California Military Department (Military Department) improperly granted employees an increase in pay they were not entitled to receive.

Investigative Highlight . . .

Over a two-year period, the Military Department paid employees at two of its three training centers \$128,400 more than they were entitled to receive.

Finding: The Military Department overpaid its employees \$128,400.

Between July 1, 2001, and June 30, 2003, 19 employees at two of the Military Department's three training centers received increased pay associated with inmate supervision even though they did not supervise inmates for the minimum number of hours required to receive the pay. For the two years we reviewed, the Military Department paid its employees at two of the training centers approximately \$128,400 more than what they were entitled to receive. We were unable to determine to what extent, if any, the Military Department's third training center also improperly granted its employees the increased pay because it was not able to provide supporting documents for 23 of the 24 months we requested. At least 10 of its employees received the pay increase at some time during the two-year period.

Military Department Action: Corrective action taken.

The Military Department agreed with our findings and reported that it has implemented changes to correct the problems identified. Specifically, it reported that it has returned all employees receiving the pay increase to their original pay level and implemented a policy at all three training centers for certifying when employees are eligible for the pay increase. The Military Department also implemented a policy that requires the training centers to maintain employee compensation documentation for two years. Further, the Military Department reported that because its personnel costs for the training centers are reimbursed by the United States Property and Fiscal Officer for California

(USPFO), the State has, in effect, already been reimbursed for the overpayments; thus it will not pursue reimbursement from the employees who improperly received the increased pay. The Military Department provided a copy of our report to the USPFO, which has the authority to recoup or waive the overpayments from the State.