

## EXECUTIVE SUMMARY

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### BACKGROUND

The Office of the Auditor General's (OAG's) Fraud Investigative Services Team investigated the work-related activities of four Department of Environmental Quality (DEQ) BioWatch Unit employees after receiving allegations that, since at least late 2016, some Unit employees routinely took extended lunches and left early without recording their time off in the State's timekeeping system.

### INVESTIGATION CONCLUSIONS

1. The four employees regularly overstated and falsely certified their work hours, including overtime. Actual and estimated overpayments for these hours totaled \$33,873 between January 2017 and June 2018. The overstated hours resulted from the employees making personal stops while working outside of Cadillac Place, taking extended lunches, and leaving work early without recording any type of leave to account for the unworked hours.
2. Three of the employees regularly misused their State vehicles by doing one or more of the following:
  - Driving them for personal use during their normal work shifts.
  - Parking them overnight at their personal residences.
  - Driving well above the posted speed limit (up to 94 mph).

Also, these employees did not accurately complete some of their daily travel logs.

3. At least one Unit employee had a commuting arrangement that did not reflect sound business practice.

These employees may have committed payroll fraud and violated State policy regarding acceptable use of State vehicles. On October 25, 2018, we referred the issues identified in this report to DEQ for its consideration of a full disciplinary investigation in accordance with the terms of the labor agreement between the employees' union and the State of Michigan.

Michigan Civil Service Commission Regulation 5.16 requires employees to repay the entire amount of overpayments if the appointing authority or Civil Service determine the overpayments resulted from fraud or misrepresentation. Also, the Regulation provides that employees may be disciplined, up to and including dismissal, and the matter may be referred to the Attorney General, State Police, or local law enforcement authorities for a criminal investigation and to the Attorney General for civil action.

DEQ's response is included in the report as an appendix.