



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Questionable Timekeeping Practices Relating to the Dual Employment of Stationary Engineers

**City University of New York
New York City Department of
Parks and Recreation**



Report 2011-S-27

November 2012

Executive Summary

Purpose

To determine whether stationary engineers employed by both the City University of New York (CUNY) and the New York City Department of Parks and Recreation (Parks) are working overlapping hours and whether each entity is assured that stationary engineers are available to efficiently and effectively perform their duties. The audit covered the period July 1, 2009 through January 26, 2012.

Background

CUNY and Parks both employ stationary engineers, who are responsible for a variety of functions, such as operating and maintaining power plants for Parks and maintaining campus buildings for CUNY. Both the State and the City have enacted regulations to ensure that stationary engineers do not accept jobs with other agencies that interfere or conflict, or are otherwise incompatible with the proper and effective discharge of their current responsibilities. We matched the State payroll, which accounts for CUNY employees, with the City payroll, which accounts for Parks employees, for the period July 1, 2009 to June 30, 2010, and identified ten stationary engineers who received combined earnings from both CUNY and Parks that ranged from \$150,000 to \$256,000.

Key Findings

- When we matched time records submitted to CUNY and Parks, we found 338 occasions where engineers reported being present at both jobs at the same time. In another 155 cases, there was no break between the times the staff reported leaving one job and starting their shift at the other, which was sometimes located in another Borough. We verified that the engineers did work at both agencies, but found they did not accurately report when they actually started and ended their shifts. As a result, neither CUNY nor Parks can fully be assured staff are working the hours claimed and being paid correctly.
- Between their two jobs, most engineers ended up working excessive hours that could compromise their alertness and ability to perform critical duties for either employer, especially in an emergency. One engineer worked more than 16 hours on 74 occasions, including 16 instances of more than 40 hours without a rest break. Another worked more than 16 consecutive hours 34 times, ten of which exceeded 24 hours on duty.

Key Recommendations

- Management should increase oversight of stationary engineers and their supervisors to ensure that all schedule changes are properly documented and approved.
- Management should implement an automated timekeeping system and ensure stationary engineers follow all State and City regulations relating to dual employment.

Other Related Audits/Reports of Interest

[MTA/Metro-North Railroad: Forensic Audit of Select Payroll and Overtime Practices and Related Transactions \(2010-S-60\)](#)

[Port Authority of New York and New Jersey: Management and Control of Employee Overtime Costs \(2009-S-87\)](#)

State of New York
Office of the State Comptroller

Division of State Government Accountability

November 27, 2012

Dr. Matthew Goldstein
Chancellor
City University of New York
535 East 80th Street
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Mr. Adrian Benepe
Commissioner
New York City Department of Parks and Recreation
The Arsenal - Central Park
830 Fifth Avenue
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Dear Chancellor Goldstein and Commissioner Benepe:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of *Questionable Timekeeping Practices Relating to the Dual Employment of Stationary Engineers* at the New York City Department of Parks and Recreation and the City University of New York. The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution, Article II, Section 8 of the State Finance Law and Article III of the General Municipal Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Office of the State Comptroller
Division of State Government Accountability

Table of Contents

Background	4
Audit Findings and Recommendations	5
Dual Employment Not Monitored	5
Recommendations	7
Audit Scope and Methodology	7
Authority	8
Reporting Requirements	8
Contributors to This Report	9
Agency Comments - CUNY	10
Agency Comments - Parks	12

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This report is also available on our website at: www.osc.state.ny.us

Background

The City University of New York (CUNY) is the nation's largest urban public university, serving 540,000 students at 24 institutions in New York City. It includes 11 senior colleges, seven community colleges, an Honors College, two Graduate Schools, a Law School, a School of Professional Studies, and a School of Public Health.

The New York City Department of Parks and Recreation (Parks) includes about 29,000 acres of park land. Parks is the City's principal provider of playgrounds and recreational and athletic facilities.

Both organizations employ stationary engineers who are responsible for a variety of functions, such as operating and maintaining power plants and electro-mechanical building equipment at recreational fields, pools and skating rinks for Parks and campus buildings for CUNY. The State and the City both have enacted regulations to ensure that certain classes of employees, including stationary engineers, do not accept jobs with other agencies that interfere or conflict, or are otherwise incompatible with the proper and effective discharge of their current responsibilities, as follows:

- The State requires certain employees to submit State Ethics Commission forms to the agency head (or CUNY College Presidents) for approval of additional employment. The College President then forwards the form to the Joint Commission on Public Ethics.
- The Personnel Rules and Regulations of the City of New York require that City employees complete a Certification of Dual Employment form before accepting additional employment.

Both forms require information such as the other entity's name, the employee's job title, a description of the new job and the days and hours that the employee is scheduled to work at the other entity.

Audit Findings and Recommendations

Dual Employment Not Monitored

We determined that serious internal control weaknesses existed at both CUNY and Parks, resulting in a high risk that stationary engineers could be paid for time not worked. We also determined that stationary engineers employed by both Parks and CUNY worked excessive hours, thereby possibly causing a disruption to the operation of the physical infrastructure at either of these two agencies.

Both CUNY and Parks have their own timekeeping processes to pay employees. However, there are no controls in place to ensure the time recorded is accurate. We matched the payrolls from both entities for the period July 1, 2009 to June 30, 2010, and identified ten stationary engineers who received combined earnings from both places that ranged from \$150,000 to \$256,000. Of these, eight had 338 instances, totaling 433 hours, where the employee reported being at work at both jobs at the same time (i.e., overlapped). Further, six of these eight engineers had 155 instances on their time sheets in which they did not provide for travel time between the jobs.

For example, one engineer's time records showed 130 overlapping time entries. In seven of these cases the overlap consisted of a complete eight hour shift. There were another 67 instances in which there was no gap between the hours shown on the two time sheets, thus not allowing for any travel time between jobs, although the job locations were in different New York City boroughs.

We obtained schedules for three of the engineers and visited both work locations to determine where they were actually working. For the time periods we observed, we determined that they worked the required number of hours at both jobs, but not during the specific hours as scheduled. For instance, one engineer adjusted his shift's start and end times so he could report to his other job in a timely manner. Another exchanged a shift with a co-worker at CUNY. The stationary engineer said this practice was an informal agreement between the engineers, but it was not pre-approved by the supervisor, nor was it indicated on the engineer's time sheets. We determined that supervisors at CUNY and Parks are not requiring the stationary engineers to properly document their time. As a result, time records may be inaccurate and neither entity can be fully assured workers are working the hours claimed and therefore being paid correctly.

We note that for the dates of our observations, these stationary engineers' time sheets did indicate that they arrived prior to the scheduled start time and departed prior to the scheduled end of their shift. However, there was no record to authorize the deviation from the established schedules, even though supervisors are required to approve schedule changes.

Two of the stationary engineers whose time records we reviewed had stipulation of settlement agreements with Parks that were executed in February 2011. According to Parks documentation, the agreements arose from "failing to accurately record arrival and departure times" on their time cards. These stationary engineers were required to immediately use hand scanners to ensure that all of their time cards reflected hours actually worked. However, none of them have done

this as of January 26, 2012. In addition, the City of New York is in the process of implementing its new timekeeping system (CityTime), which provides for automated time recording, approval and transmittal to payroll. While most of Parks' employees use the new system, stationary engineers have not yet been added, nor do they use any other automated timekeeping devices. Therefore, Parks still cannot be certain that stationary engineers are submitting accurate time records.

Parks and CUNY have other processes in place relating to time and attendance, but they are not effective in controlling the risks we identified. For example, Parks requires that stationary engineers call in and out to Central Communications at the beginning and end of their shifts. We verified that the recorded times agreed with the work hours claimed by the engineers we identified. However, the call-in process does not provide assurance that they were actually calling from their work site or that another person at the assigned location was not falsely claiming to be that engineer. Additionally, there is no process for reconciling these telephone calls with the respective time sheets and the log maintained by Central Communications contained gaps and appears incomplete.

In contrast, CUNY does use automated timekeeping devices, including biometric scanners. However, they are not used to produce or verify the time records submitted to the payroll department. In fact, officials at some of CUNY's colleges told us that reports generated from these devices are inaccurate and unreliable.

Neither Parks nor CUNY management has provided adequate oversight of the timekeeping process for stationary engineers working dual employment. Senior officials are not ensuring that supervisors verify the accuracy of time records. As a result, these employees could be getting paid for work not done. Further, we found that none of the ten engineers we examined had completed the required dual employment forms for either of the entities. Therefore, both CUNY and Parks management were generally unaware that their stationary engineers were also working full-time for another employer.

More importantly, we determined that some of these engineers were working excessive hours, thereby possibly causing a disruption to the operation of the physical infrastructure. While CUNY and Parks don't have written policies, officials at both entities agree that stationary engineers should not work more than 16 consecutive hours unless there is an emergency. However, we found that seven of the ten engineers had instances in which they exceeded 16 consecutive hours worked between the two employers. One engineer worked more than 16 consecutive hours on 74 occasions, including 16 instances of approximately 40 hours worked without a rest period. Another engineer exceeded 16 straight hours 34 times, including 10 instances where he worked more than 24 hours.

As a result, even when these employees are available to both agencies, they may be too fatigued from long hours worked to be alert enough to effectively perform their critical responsibilities. Further, in the event of a disaster or emergency where the engineer is needed at both job locations, one of his employers may be left with insufficient staff possessing the expertise necessary to properly operate and maintain their plants.

Recommendations

1. Increase oversight of stationary engineers and their supervisors to ensure that all schedule changes are properly documented and approved.
2. Implement automated timekeeping systems which generate accurate and properly approved timesheets that are transmitted to payroll.
3. Ensure that stationary engineers prepare and submit the required dual employment forms and verify the integrity and reasonableness of their work schedules.
4. Establish, and ensure compliance with, formal standards for the maximum number of consecutive hours that stationary engineers may work.

Audit Scope and Methodology

The objectives of our audit were to determine whether stationary engineers employed by both CUNY and Parks reported working overlapping hours and whether each entity is assured that stationary engineers are available to efficiently and effectively perform their duties. Our audit period was July 1, 2009 through January 26, 2012.

To accomplish our objectives, we interviewed CUNY and Parks personnel and reviewed their time records. We also reviewed relevant State and City regulations and made site observations. We matched the New York State and New York City payrolls for the period July 1, 2009 to June 30, 2010, to determine which employees had earnings for both the State and the City. We selected the ten stationary engineers who earned more than \$20,000 from each employer during the period. These ten stationary engineers received combined earnings from both Parks and CUNY that ranged from \$150,000 to \$256,000. We then compared the time records provided by each employer for the period July 1, 2009 to June 30, 2011, to determine whether there was any overlap in the work hours recorded. We also looked to see whether there were any gaps between hours recorded between agencies to allow for travel time.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational

independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, Article II, Section 8 of the State Finance Law and Article III of the General Municipal Law.

As is our practice, we notified Parks officials at the outset of the audit that we would be requesting a representation letter in which agency management provided assurances, to the best of their knowledge, concerning the relevance, accuracy, and competence of the evidence provided to the auditors during the course of the audit. The representation letter is intended to confirm oral representations made to the auditors and to reduce the likelihood of misunderstandings.

In this letter, agency officials assert that, to the best of their knowledge, all relevant financial and programmatic records and related data have been provided to the auditors. Agency officials further affirm that either the agency has complied with all laws, rules, and regulations applicable to its operations that would have a significant effect on the operating practices being audited, or that any exceptions have been disclosed to the auditors. However, Parks officials have not provided a representation letter in connection with this audit. As a result, we lack assurance from them that all relevant information was provided to us during the audit.

Reporting Requirements

A draft copy of this report was provided to CUNY and Parks officials for their review and comment. CUNY officials generally agree with the report's findings and recommendations and state that they have directed the colleges to enhance their controls and practices. Parks officials agreed there is room for improvement and have taken steps to strengthen its policies to address the issues contained in the report. Complete copies of their responses are included at the end of this report.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Chancellor of the City University of New York shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

We also request that the Commissioner of the New York City Department of Parks and Recreation report to the State Comptroller, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Contributors to This Report

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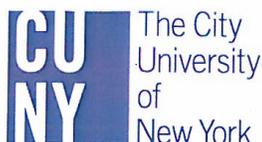
Vision

A team of accountability experts respected for providing information that decision makers value.

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To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

Agency Comments - CUNY



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October 23, 2012

Mr. John Buyce
Audit Director
Office of the State Comptroller
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110 State Street - 11th Floor
Albany, NY 12236-0001

Re: Dual Employment Audit 2011-S-27

Dear Mr. Buyce:

We have reviewed the above-captioned draft audit report on Questionable Timekeeping Practices Relating to the Dual Employment of Stationary Engineers—City University of New York, New York City Department of Parks and Recreation. We appreciate the opportunity to respond to the findings and to address the recommendations contained therein.

We generally agree with the report findings and recommendations that schedule changes be properly documented and approved, external dual employment be disclosed and authorized, and that employees be restricted from working excessive consecutive hours. The colleges have been directed to enhance their controls and practices so as to ensure that their stationary engineers are present during their scheduled work hours and to lessen the likelihood that their ability to perform effectively at CUNY is not impaired by outside employment. We ask, however, that the final draft report reflect more emphatically that, with respect to CUNY, the auditors found little evidence that CUNY paid the stationary engineers under review for work they did not perform.

The draft report indicates that some of the employees in the auditors' sample often adjusted their time schedules or swapped assignment schedules with other employees informally and without prior supervisory approval, a practice commonly referred to as mutual shift exchange (or mutuals), even though the employees worked the total number of hours they were scheduled to work. The auditors conducted surprise floor checks at the CUNY schools and found only one instance where the auditors were not able to locate an employee scheduled to be working at the time. That employee, we were informed by the college, was not present as scheduled because he was on a mutual with another

INVEST IN CUNY

employee and that he in fact worked the number of hours reflected in his compensation for the period. Nevertheless, we will direct the colleges to establish formal procedures for approving and documenting mutuality so that the recordation of time and leave usage will be complete and accurate and employees are only compensated for the actual work they perform. At a minimum, such procedures will require that mutuality be granted only where there would be no adverse economic (e.g., overtime costs) or operational impact on the college.

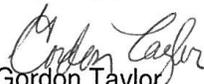
The University is in the process of updating and enhancing its existing personnel policy that places limitations on the types of external employment full-time employees may engage in. All non-teaching instructional and classified staff will be prohibited from maintaining or acquiring external full-time employment and will be required to seek express approval for significant outside part-time activities.

The issue of excessive consecutive work hours is another issue that the University will address by prohibiting external full-time employment. Although many types of permissible outside activities may cause an employee to be fatigued in the workplace, we agree with the auditors that a second full-time job is an extraordinary burden that carries with it the high potential of reducing one's ability to effectively perform their regular and emergency-related duties.

Finally, with respect to the use of automated timekeeping systems, we would point out that the use of these systems varies across the campuses, and they are but a component of the control apparatus for time and leave accountability. Many other controls such as a supervisory observation and review are used to confirm employee attendance.

Again, we appreciate the opportunity to respond to the draft report and are available to address any further questions or concerns you may have.

Very truly yours,


Gordon Taylor
Director

cc: Chancellor Matthew Goldstein
Executive Vice Chancellor and COO Allan H. Dobrin
Senior Vice Chancellor Marc V. Shaw
Senior Vice Chancellor Frederick P. Schaffer
Vice Chancellor Gloriana B. Waters
Vice Chancellor Pamela S. Silverblatt
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IA#2166

Agency Comments - Parks

September 28, 2012

Mr. Brian Reilly
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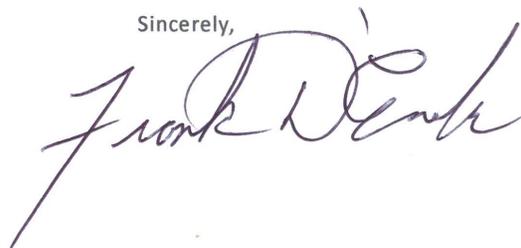
RE: Audit Report on Questionable Timekeeping
Practices Relating to the Dual Employment
Of Stationary Engineers
Report 2011-S-27

Dear Mr. Reilly,

The NYC Department of Parks and Recreation acknowledges receipt of the draft report on the above referenced audit.

Parks has reviewed the Draft and carefully considered the recommendations it provides. Attached is Parks' response. The Audit Implementation Plan will follow within the requested 90 day period.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Decker". The signature is written in a cursive style with a large, looped initial "F".

THE NYC DEPARTMENT OF PARKS AND RECREATION RESPONSE

Parks and Recreation has been utilizing Stationary Engineers for many years to operate and maintain equipment related to pools, recreation centers, ice skating rinks and other facilities with mechanical power plants.

In the audit findings section, it is stated that there are serious internal control weaknesses. Parks has an internal policy whereby the Stationary Engineers must call into Central Communications at the beginning, middle and at the end of their shift. The time and telephone number is recorded into a log book at Central. In fact, the audit later states that the recorded times at Central Communications agreed with the work hours recorded on their time cards. However, Parks acknowledges that there is room for improvement and has taken the following steps to strengthen its internal policy.

The audit states that "this process does not ensure that the calls actually come from their work site". The calls into Central Communications must come from the facility's landline. Central may randomly call the facility and the Stationary Engineer must answer or return their call. The log book of calls will be forwarded monthly to the Senior Stationary Engineer for reconciliation. Biweekly schedules will be posted at the site 2 weeks in advance with a section for the Stationary Engineer to record his in/out call times and in a log book at the site. The Senior Stationary Engineer will also check the schedule and compare it to the Central call in report as a double check.

The audit further states schedules were obtained for 3 engineers and their worksites were visited. Although the Stationary Engineers worked the required hours, they did not work the specific hours as scheduled. Parks has also addressed this issue. As stated earlier the Bi-weekly schedule will be posted 2 weeks in advance. Any changes such as early arrival/departure, or mutual swaps to the schedule cannot be made without approval in advance from the Senior Stationary Engineer. Additionally, these changes must be made in writing prior to the Stationary Engineer implementing any changes.

As far as the overlapping hours, Parks is working closely with CUNY in an effort to reconcile the differences stated in the audit. This will enable Parks and CUNY to coordinate schedules in the future.

The audit also stated that "...officials at both agencies agreed that Stationary Engineers should not work more than 16 consecutive hours unless there is an emergency". Parks officials agreed that we would look into the matter and discuss with our legal department.

Parks is working with FISA to implement an automated timekeeping system, if available. Until then, Parks will continue to use the enhanced monitoring procedures mentioned above.

Parks will address the dual employment forms, the amount of excessive hours, and a reasonable amount of time that a Stationary Engineer may work consecutively.

Parks would like to thank you and you and your staff for the time and effort devoted toward completing the Report.