

**MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION**

**Internal Control Report  
Prince Georges County Department of Parks and Recreation  
Aquatics and Athletic Facilities Division  
Unauthorized Employment**

**Report Number: PGC-008-2020-B**

**December 23, 2019**

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Prince George's County Department of Parks and Recreation  
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## A. Overall Perspective

On September 20, 2019 [REDACTED] Prince George's County Department of Parks and Recreation (PGC DPR) requested the Office of Inspector General (OIG) to investigate allegations that were brought to [REDACTED] attention by the Prince George's County Planning Board Chairman's Office involving unauthorized employment at the Prince George's County Sports and Learning Complex (Complex).

The Complex, located in Landover Maryland, within Prince George's County, is a large venue offering a number of amenities including indoor track, athletic fields, aquatics, gymnastics, a gym and learning center. The Complex Acting General Manager, who has overall responsibility for the Complex, reports to the Division Chief of the Aquatics and Athletic Facilities Division (AAFD), under the direction of the Deputy Director of Facility Operations and Acting Director of PGC DPR.

Upon receipt of the allegation, the OIG completed a fraud, waste, and abuse investigation. The results of that investigation were presented to Aquatics and Athletic Facility Division (AAFD) management in draft form on October 24, 2019. The finalized Fraud, Waste, and Abuse Audit Report is being issued with this Internal Control Report.

During the fraud, waste, and abuse investigation, the OIG identified opportunities to strengthen internal controls at the Complex to prevent unauthorized employment of individuals. These opportunities are presented in this report.

We wish to express our appreciation to the Prince George's County Department of Parks and Recreation, Aquatics and Athletic Facilities Division management and staff for the cooperation and courtesies extended during the course of our review.



Robert Feeley, CICA, CFE, CGFM CAA  
Assistant Inspector General



Renee Kenney, CPA, CIG, CIA, CISA  
Inspector General

December 23, 2019

## **B. Scope of the Investigation**

The purpose of the fraud, waste, and abuse investigation was to determine if employees inappropriately used Commission funds to pay for time worked for a seasonal/intermittent employee, and whether any employee actions supported a conclusion of fraud, waste, or abuse as defined in Commission Practice No. 3-31, *Fraud, Waste, and Abuse*.

The scope of the investigation included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission Practices and Administrative Procedures;
- Reviewed employee email correspondences to determine timeline of activities;
- Reviewed applicable Human Resource documents; and
- Interviewed AAFD.

The period covered in this review was July 9, 2019 through October 23, 2019.

The audit was conducted in accordance with the generally accepted principles and quality standards, approved by the ASSOCIATION OF INSPECTORS GENERAL.

## **C. Recommendations to Strengthen Internal Controls**

### **1. Increase Training and Awareness**

**Issue:** Although the Sports and Learning Complex has internal procedures that prohibit the hiring of seasonal/intermittent employees prior to obtaining clearance from Corporate Human Resources, it does not appear that those procedures are documented and/or widely distributed.

In conversations with Sports and Learning Complex management, the OIG was told that no-one is allowed to work until they are cleared by Corporate Human Resources. Once cleared, a copy of the PA2 form, referred to as the "white copy", must be provided to the hiring manager prior to scheduling an employee for work.

██████████ employs an ██████████ and a ██████████ ██████████. During an interview with the OIG, the ██████████ stated he/she understood all employees must be cleared for employment but did not realize that he/she must receive a copy of the PA2 form evidencing eligibility.

**Criteria/Risk:** Failure to document and distribute internal procedures related to hiring seasonal/intermittent employees contributed to the erroneous, late payment salary payment to a seasonal/intermittent employee.

**Recommendation:** We recommend that AAFD management ensure internal procedures for hiring seasonal/intermittent employees are documented and promulgated to all employees with a role in the hiring process. The procedures should include steps to take for irregularities, such as how to pay an unauthorized employee, or failure to obtain a timecard for hours worked.

**Issue Risk:** Medium

**Management Response:** Concur

In addition to our management response, we have included a revised SPLEX Human Resources and Payroll Administrative Procedures Manual (revised December 2019). Within the revised manual, you will find the inclusion of additional procedures and policy expectations to address the findings within this audit. All new information has been included in red within the manual. We have also incorporated new employee checklists for both career and seasonal/intermittent staff to assist with tracking policy and procedure training (pages 5-6). The seasonal/intermittent checklist includes the following policy reminder "Employee is NOT to be scheduled to work until an ID # and Position # have been issued by the Human Resource Department" at the top of the form. Managers will also be required to include the Post Background Clearance and First Scheduled Day of work date(s) on the bottom of the checklist.

Going forward, the AAFD will mandate that all newly hired seasonal and career staff receive and review the Prince George's Sports and Learning Complex Human Resources and Payroll Administrative Procedures with their career Hiring Manager prior to starting employment. After receipt and review of the procedures, the new employee must sign page 10, as proof of receipt and review of the division's expectations for adherence to the human resources/payroll procedures of the facility/agency. The review and employee verification process will also be performed on an annual basis at the time of the employee's Annual Evaluation (Career) or Contract Renewal Meeting (Seasonal/Intermittent Primary Assignment) and/or as revisions to the procedures/manual are made.

It is understood that it is the responsibility of the career Hiring Manager to maintain the highest level of confidentiality and security of sensitive information for all employees before, during, and after the hiring process. In this instance the candidate's personal information, application, etc. should not have been out in the open. Following this simple measure would have eliminated the mistake of considering this person for the work schedule. We have included a reminder of this expectation in the latest revision of the Human Resources and Payroll Administrative Procedures Manual.

With regard to this scenario, [REDACTED] should have been versed in the following procedure that is followed by all Hiring Managers: A new hire personnel action cannot be created until the Human Resource (HR) Coordinator receives the background clearance from the HR/Recruitment and Selection Department. The policy is that no employee is to be scheduled to work unless the Manager has both the Employee ID# and the Position #. This information is emailed to the HR Coordinator (by the HR Records Department) who then forwards the email to the Hiring Manager.

Since the time of this incident there has been some reorganization of career staff at the facility, which should reduce/eliminate these types of errors. Specifically, a career position at the Sportsplex has been re-purposed so that the [REDACTED], [REDACTED] will now have a career [REDACTED] who will be thoroughly trained in all hiring procedures for seasonal/intermittent staff. The [REDACTED] will be responsible for scheduling all new hires/employees for work at the facility.

Another means of avoiding errors with the scheduling of unauthorized individuals is to refer to the Labor Distribution Report that is shared on a bi-weekly basis. If the individual is not listed as active on this report, they are NOT to be scheduled for work. We have included a reminder of this expectation in the latest revision of the Human Resources and Payroll Administrative Procedures Manual.

**Expected Completion Date:** January 2020

**Follow-Up Date:** March 2020

**2. Develop Procedures to Identify Non-Payment of Seasonal Employees**

**Issue:** Albeit personal money orders, Aquatics and Athletic Facility Division (AAFD) was 40 days\* late in paying a seasonal intermittent employee. The payment of wages due was not expedited until the employee's mother issued a formal complaint.

\* The first scheduled payday was **8/2/19** and first money order was issued on **9/11/19**.

In addition, AAFD management and staff failed to escalate several irregularities from the time the employee worked until the employee received payment.

**Timeline**

<b>Dates</b>	<b>Activity</b>	<b>Escalation Required</b>
7/20/19 and 7/21/19	Employee worked these two days (2 separate pay periods).	
7/24/19	The employee's timecard, for one day worked (7/20/19), was forwarded to AAFD Human Resources.  ██████████ management failed to obtain a timecard for the second day worked (7/21/19). The missing timecard was not escalated.  At this time, ██████████ knew the employee worked without obtaining clearance from Corporate Human Resources. The irregularity was not escalated.	Y
8/2/19 and 8/16/19	Scheduled B2 pay dates for the two days worked	
8/6/19	Employee completed his/her background check/fingerprints at AAFD.	
8/8/19	Corporate Human Resources asked ██████████ ██████████ to forward the employee's application to them. They requested that his/her employment status be put on hold.  ██████████ did not notify Corporate Human Resources that the employee had already worked.	Y
8/12/19	Corporate Human Resources notified the ██████████ ██████████ that the employee was ineligible for hire. The message was not forwarded to the field.	

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8/27/19	<p>██████████ requested an update from Corporate Human Resources on the employee's status (already knowing he/she worked for AAFD in July).</p> <p>██████████ was informed that the employee was ineligible for Commission employment.</p>	Y
8/27/19	<p>██████████ met with employee and informed him/her of the results of the background check. They did not have a payment solution at that time. Central Payroll or Finance was not contacted for a solution.</p>	Y
9/4/19	<p>The employees mother inquired with AAFD management on her son's/daughter's salary due.</p> <p>AAFD senior management ██████████ ██████████ was not notified of the payment issue.</p>	Y
9/11/19	<p>After no action, the employee's mother escalated her concerns to Prince George's County Planning Board Chair's Office.</p>	
9/11/19	<p>First money order was issued.</p>	

**Criteria/Risk:** The Commission has established pay schedules for both Merit and seasonal employees. The seasonal employee pay calendar provides for payment of wages 2 weeks after the close of the applicable pay cycle.

Failure to track dates employees worked against salary payments issued increases the risk of fraud, waste, and abuse. In addition, failure to ensure timely payroll payments may negatively impact the Commission's reputation.

**Recommendation:** AAFD management should develop procedures that would allow tracking of seasonal intermittent earned salary. There are several ways this could be accomplished, but the OIG offers the following for consideration:

- Define roles and responsibilities for running applicable payroll reports out of Infor. Responsible individual should compare bi-weekly intermittent payments against source documents to ensure proper payments. Any exceptions should be escalated accordingly.

For this specific instance, the responsible party should have a list of employees who worked a specific event. The list should be compared to submitted and approved timecards as well as the labor report in Infor. Irregularities should be promptly escalated.

**Issue Risk:** Medium

**Management Response: Concur**

In addition to our management response, we have included a revised SPLEX Human Resources and Payroll Administrative Procedures Manual (revised December 2019). Within the revised manual, you will find the inclusion of additional procedures and policy expectations to address the findings within this audit. All new information has been included in red within the manual.

Hiring Manager/Assistant Managers and second level approvers of timecards should refer to the most recent payroll/active employee labor report available, prior to scheduling staff. Projected venue-based schedules for seasonal/intermittent staff should be compared to the submitted timecards as another method of control. Pages 7 and 8 in the Human Resources and Payroll Administrative Procedures Manual provide more specific information for actual timecard procedures. Page 10 also provides a "signature" document to show proof that this information has been reviewed with staff prior to their employment start date. The HR Policy/Procedure Manual will be reviewed for updates/revisions on a bi-annual basis and/or updated on an as-needed basis. The Human Resources and Payroll Administrative Procedures Manual will be reviewed and distributed to SPLEX employees as revisions/updates are implemented and will also be reviewed during the employee annual evaluation or contract renewal meetings. Employees will be required to sign that they have received and reviewed the manual.

On page 12 of the attached, there are instructions for processing seasonal timecards. Number one addresses the comparison of the timecard with the schedule by the SPLEX Directors. Number five has been added requiring Career Venue Managers or Assistant Managers to implement an additional bi-weekly reconciliation process that includes review of the employee labor report to the timecard spreadsheet submitted to payroll. Any discrepancies are to be reported to the Director of respective venue and the facility payroll representative immediately. We have also implemented a New Hire Orientation process which would allow both the Manager and the Director (over that specific venue) to know who was active/new. That is also listed on page 4 and page 12, number 4. This procedure manual has been provided to employees in hard copy format and is available to all career staff via the Admin Drive.

In the event an individual is worked prematurely, and then deemed "not eligible for employment" during the background check/fingerprinting phase of employment, the matter must be escalated immediately to the Division Chief level. The Division Chief will then confer with their appropriate Deputy Director and the appropriate level of management in Central Administrative Services, for next steps (i.e. draft a check request, etc.). At no time should ANY career or non-career staff take it upon themselves to design and implement a solution at their level, without the appropriate level of approval. We have included a reminder of this expectation in the latest revision of the Human Resources and Payroll Administrative Procedures Manual.

**Expected Completion Date:** January 2020

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