



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

REPORT OF INVESTIGATION CASE NUMBER: 2012-0026

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

EXECUTIVE SUMMARY

On June 20, 2012, Palm Beach County (County) Parks & Recreation Department Aquatics Director David Lill forwarded information to the Office of the Inspector General (OIG) regarding an anonymous complaint that he received alleging that a County employee, Aqua Crest Pool Facility Manager Suzannie "Michelle" Lawrence, in exchange for financial remuneration, allowed subordinate employees to be compensated for hours not worked. The anonymous complaint only identified Lifeguard Eddie "Trey" Wilson.

Based on this complaint, the OIG initiated an Investigation. The OIG's investigation disclosed preliminary information indicating that Mr. Wilson, as well as a second Lifeguard, Jonathan Reyes, may have received compensation for hours not worked based on payroll records obtained from their secondary employers. According to those records, Mr. Wilson and Mr. Reyes appeared to have been working for their secondary employers during the same timeframes that had been claimed on County payroll records. Additionally, the OIG investigation disclosed that Ms. Lawrence, as their director supervisor, was responsible for processing and approving each of their respective payroll records.

Because of potential criminal violations involving Mr. Wilson, Mr. Reyes, and Ms. Lawrence, they were not interviewed by the OIG. On September 10, 2012, this matter was referred to the Public Integrity Unit (PIU), State Attorney's Office (SAO), in and for the 15th Judicial Circuit, Palm Beach County, Florida, for a criminal investigation. On October 1, 2012, the PIU advised that it was declining to pursue criminal charges based on their investigation, which indicated that Ms. Lawrence may have violated County policies or procedures. According to the PIU's investigation, Ms. Lawrence, through her own admission, authorized Mr. Wilson and Mr. Reyes to continue working beyond the County's 1,000 hour cap¹ requirement for non-permanent employees (per calendar year) without being compensated appropriately. In turn, Ms. Lawrence, of her own volition, altered current payroll records to allow Mr. Wilson and Mr. Reyes to receive compensation for those previous hours worked.

Based on this information, the OIG resumed their investigation involving an allegation that Ms. Lawrence falsified the payroll records of her subordinates, Aqua Crest Pool

¹ Pursuant to PPM #CW-P-007, non-permanent employees categorized as Student, On-Call, and/or Seasonal employees are limited to working 1000 hours in a calendar year. According to County personnel records, Mr. Wilson and Mr. Reyes were both classified as Non-Permanent employees.

Lifeguards Eddie Wilson and Jonathan Reyes, in order to circumvent hourly caps per calendar year for non-permanent employees.

The allegation that Ms. Lawrence falsified the payroll records of her subordinates, Aqua Crest Pool Lifeguards Eddie Wilson and Jonathan Reyes, in order to circumvent hourly caps for non-permanent employees is **supported**. The OIG investigation disclosed that between January 2010 and December 2011, Ms. Lawrence allowed Mr. Wilson and Mr. Reyes to continue working beyond the 1,000 hour cap requirement (per calendar year) for non-permanent employees without being compensated timely and appropriately. In turn, Ms. Lawrence falsified payroll records in the following calendar years (2011 and 2012, respectively) to compensate Mr. Wilson and Mr. Reyes for the previous calendar year's uncompensated hours. Mr. Wilson did not have any knowledge of Ms. Lawrence's actions to seek approval for this arrangement, while Mr. Reyes indicated that he believed Ms. Lawrence had approval. Ms. Lawrence subsequently acknowledged that she initiated this arrangement on her own, without any approval, as her method of dealing with budget restraints and staff shortages/reliability. Ms. Lawrence approved a total of **929** hours of work, totaling **\$12,238.06**, for which there was no documentation to determine whether or not Mr. Wilson or Mr. Reyes were accurately compensated for any work performed.

ALLEGATION AND FINDINGS

Allegation (1):

Palm Beach County Aqua Crest Pool Facility Manager Suzannie "Michelle" Lawrence falsified the payroll records of her subordinates, Aqua Crest Pool Lifeguards Eddie Wilson and Jonathan Reyes, in order to circumvent hourly caps for non-permanent employees. If supported, the allegation would constitute a violation of Section 7.02.D., #s 14, 24, 29, 32, and 33 of the Palm Beach County Merit Rules and Regulations.

Finding:

The allegation is **supported**. The OIG investigation disclosed that between January 2010 and December 2011, Ms. Lawrence allowed Mr. Wilson and Mr. Reyes to continue working beyond the 1,000 hour cap requirement (per calendar year) for non-permanent employees without being compensated timely and appropriately. In turn, Ms. Lawrence falsified payroll records in the following calendar years (2011 and 2012, respectively) to compensate Mr. Wilson and Mr. Reyes for the previous calendar year's uncompensated hours. Mr. Wilson did not have any knowledge of Ms. Lawrence's actions to seek approval for this arrangement, while Mr. Reyes indicated that he believed Ms. Lawrence had approval. Ms. Lawrence subsequently acknowledged that she initiated this arrangement on her own, without any approval, as her method of dealing with budget restraints and staff shortages/reliability.

Statement of Laurie Schobelock, Palm Beach County Park & Recreation Aquatics Supervisor

Ms. Schobelock explained that Mr. Wilson and Mr. Reyes are both non-permanent employees. According to Ms. Schobelock, non-permanent employees are capped at 1,000 hours of work per calendar year. Ms. Schobelock stated that employees at the Aqua Crest Pool, specifically lifeguards, utilize the following documents to record hours worked and subsequently submitted to payroll for processing:

- **Bi-Weekly Work Schedule:** A document that is created in advance of the pay period by the pool facility manager, in this case, Michelle Lawrence, which contains personnel scheduled to work the upcoming two-week pay period. The schedule notates the daily hours, total hours and times that the employee is expected to work. This document is subject to change depending on schedule modifications.
- **Daily Rotation Schedule:** A daily document, which contains personnel who are scheduled to work on a specific date. This includes a breakdown of daily activities, such as rotations among lifeguard stations, allotted breaks, and other duties. This document accurately reflects all lifeguards on duty for that particular date.
- **Summary of Daily Attendance (Summary):** This document is prepared two days in advance² of the current pay period by the pool facility manager, in this case, Ms. Lawrence. This document contains information pertaining to the personnel who worked during the current pay period. The pool facility manager is responsible for submitting this document, accompanied by an email verifying their review of attendance and hours, through their chain of command for authorization. Upon receipt of authorization, this document is forwarded to the Parks and Recreation Department Payroll Unit for processing.
- **Timeserver Time Entry Pre-Edit Report (Time Server Report):** A document generated by the Parks and Recreation Department Payroll Unit following the receipt of the Summary. This document is forwarded to the pool facility manager, in this case, Ms. Lawrence, for review and signature after the payroll has been processed to confirm that there have been no adjustments (i.e., leave, schedule adjustments and other unexpected changes) to the Summary.

Statement of Jennifer Anglin, Aquatics Program Coordinator

Ms. Anglin explained that she oversees five pool facilities, including the Aqua Crest Pool. Ms. Anglin stated that she has supervised Ms. Lawrence for approximately five years. Ms. Anglin advised that her pool facility managers are responsible for providing her with Summaries and an accompanying e-mail verifying that the information pertaining to their staff (pool facility employees) is accurate so that payroll can be

² Due to processing time constraints, time sheets are submitted on the Wednesday prior to the pay period ending (the pay period begins on Saturday and ends on Fridays). Thursdays and Fridays are projected hours that are subsequently reconciled after payroll has been processed.

completed. Ms. Anglin explained that it was against County policies for non-permanent employees to work over 1000 hours because of retirement benefits having to be paid. Ms. Anglin further stated that she has never given permission, nor did she have knowledge of Ms. Lawrence making arrangements with employees to be compensated at a later date for the work they performed in order to circumvent policies.

Statement of Eddie “Trey” Wilson, Lifeguard

During his interview with the PIU, Mr. Wilson acknowledged that after exceeding the 1,000 hour cap requirement for non-permanent employees, he would continue to work the remainder of the year without being compensated. Mr. Wilson acknowledged that he would then receive compensation for those hours in the following year. Mr. Wilson stated that he did not maintain a personal log to track those unpaid hours and further indicated that he had a “general idea.” Mr. Wilson stated that “I had faith that she (Ms. Lawrence) was going to take care of me.” When asked whether Ms. Lawrence obtained permission from her supervisor(s) for this arrangement, Mr. Wilson stated, “I never asked.”

Statement of Jonathan Reyes, Lifeguard

During his interview with the PIU, Mr. Reyes acknowledged that after exceeding the 1,000 hour cap requirement for non-permanent employees, he would continue to work the remainder of the year without being compensated. Mr. Reyes stated “that she was going to reimburse me that upcoming year when our hours renewed.” According to Mr. Reyes’ understanding, Ms. Lawrence informed Ms. Anglin of this arrangement.

According to the OIG’s review of Mr. Wilson and Mr. Reyes’ payroll records, Ms. Lawrence falsified their records between January 2011 (to compensate for 2010’s uncompensated hours) and June 2012³ (to compensate for 2011’s uncompensated hours), the following pertinent information was disclosed:

- Ms. Lawrence submitted Bi-Weekly Work Schedules and Daily Rotation Schedules that did not contain any documentation as to Mr. Wilson and/or Mr. Reyes being scheduled to work (Bi-Weekly Work Schedules) or that they were actually working (Daily Rotation Schedule).
- Ms. Lawrence submitted Summaries and Time Server Reports documenting that Mr. Wilson and Mr. Reyes worked during the specified time period (Summaries), but did not complete any adjustments (Time Server Reports) following the payroll period being processed.
- Ms. Lawrence submitted e-mails to her direct supervisor, Ms. Anglin, for each of the pay periods in question attesting to her review of the payroll information and that the information was accurate.

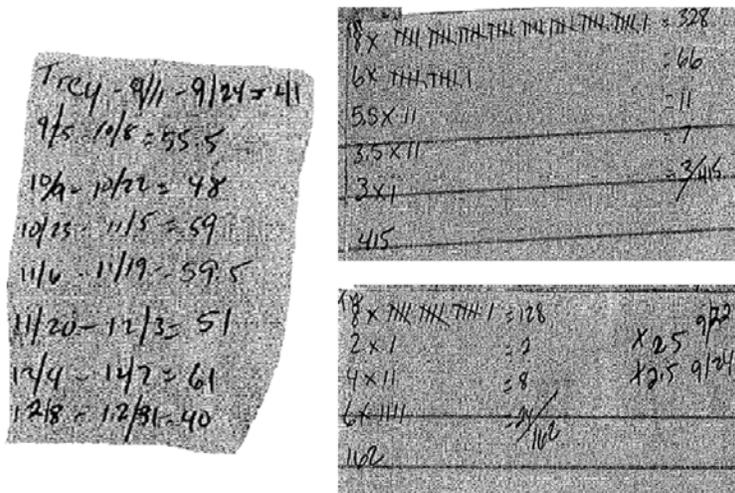
³ The matter was reported to the OIG on June 20, 2012.

According to the OIG’s review of all payroll documents submitted by Ms. Lawrence between January 2011 (to compensate for 2010’s uncompensated hours) and June 2012 (to compensate for 2011’s uncompensated hours) for Mr. Wilson and Mr. Reyes, the following pertinent information was disclosed:

- Ms. Lawrence documented **424** hours of work totaling **\$5,779.12** in compensation for Mr. Wilson; however no documentation was found to support those hours claimed. Furthermore, the OIG’s review determined that 173 of those hours documented by Ms. Lawrence were actually during timeframes that Mr. Wilson was working for his secondary employer.
- Ms. Lawrence documented **505** hours of work totaling **\$6,458.94** in compensation for Mr. Reyes; however, no documentation was found to support those hours claimed. Furthermore, the OIG’s review determined that 356.5 of those hours documented by Ms. Lawrence were actually during timeframes that Mr. Reyes was working for his secondary employer.

Statement of Suzannie “Michelle” Lawrence, Aqua Crest Pool Facility Manager

Ms. Lawrence stated that she has supervised Mr. Wilson for approximately four years and Mr. Reyes for approximately two years. Ms. Lawrence further stated that both Mr. Wilson and Mr. Reyes are non-permanent employees who are capped at working 1,000 hours per calendar year, with no benefits. Ms. Lawrence admitted that she created false timesheet documents for the current payroll periods in order to compensate Mr. Wilson and Mr. Reyes for hours they worked in the previous calendar year(s) without being compensated. According to Ms. Lawrence, although she was aware that Mr. Wilson and Mr. Reyes⁴ were nearing their 1,000 hour cap, she asked them to continue working without being compensated, with the agreement that she would compensate them in the following calendar year. Ms. Lawrence stated that she kept track of hours owed to Mr. Wilson and Mr. Reyes by recording them on the following “sticky notes.”



⁴ According to the OIG’s review of Mr. Wilson and Mr. Reyes’ payroll records for 2010 and 2011, Mr. Wilson reached a total of 966.5 hours on December 17, 2010 and 921 hours on September 23, 2011. Mr. Reyes reached a total of 549.97 hours on December 31, 2010 and 985.5 hours on November 4, 2011.

When asked how she knew that Mr. Wilson and Mr. Reyes were being accurately compensated since she did not consistently track their hours, Ms. Lawrence replied, "I knew like, what I owed them, you know, I knew what I owed them." Ms. Lawrence subsequently conceded that her documentation was not completely accurate and that there was no way to determine if Mr. Wilson or Mr. Reyes were over-compensated or under-compensated for the hours that they worked.

Ms. Lawrence stated that she was dealing with budget issues and staff shortages/reliability and indicated that both Mr. Wilson and Mr. Reyes were reliable employees. Ms. Lawrence stated that initially she used Lifeguards from other facilities to accommodate her staffing needs, with the approval from Ms. Anglin; however, because of those Lifeguards' lack of reliability, she decided to take matters into her own hands. Ms. Lawrence indicated that she did not seek further assistance from management for her staffing needs and initiated this arrangement with Mr. Wilson and Mr. Reyes. Ms. Lawrence stated that Mr. Wilson and Mr. Reyes were the only employees with whom she made this type of arrangement.⁵ Ms. Lawrence denied advising Mr. Wilson and/or Mr. Reyes that she had authorization to make this type of arrangement, but opined that they may have perceived her actions to be authorized. Ms. Lawrence reiterated that she initiated this arrangement without any approval from her superiors.

RECOMMENDED CORRECTIVE ACTIONS

Based on the supported findings in Allegation (1), the OIG recommends the following corrective actions:

- Take immediate corrective personnel action.

As of October 23, 2012, Ms. Lawrence was no longer employed by the County.

- Take immediate action to determine if any retroactive employment benefits and/or IRS income adjustments are warranted.
- Review the current scheduling and payroll documentation process in place and determine whether or not additional controls should be implemented.

Upon the initiation of the OIG's investigation, the Palm Beach County Parks and Recreation Department took immediate corrective action and implemented a daily sign in/out sheet, which all employees are required to initial and attest to their hours worked. Additionally, the sign in/out sheet will be used to validate payroll documentation.

Aquatics Supervisor Laurie Schobelock and Parks and Recreation Department Director Eric Call further advised the OIG that their department is currently in the

⁵ The OIG reviewed payroll records for all Aqua Crest Pool Lifeguards between January 2011 and June 2012 and found no other discrepancies.

process of initiating an electronic identification system, referred to as the Nova Time system. The system utilizes the bone structure of an employee's hand as a unique identifier for electronic time-clocking purposes. The system is currently in place at two pool facilities and is expected to be implemented at the Aqua Crest Pool in the future.

QUESTIONED COSTS

Questioned Costs: \$12,238.06

ARTICLE XII, SECTION 2-427

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, on October 30, 2012, Ms. Lawrence was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days (November 9, 2012). No response was received.

This Management Review has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.