

Report of Investigation

Allegation of Possible Abuse of Overtime by Employees in the Property Management Department in calendar year 2018

Final Report • March 18, 2020

Derry Harper Esq., CIG



FINAL
REPORT OF INVESTIGATION

19-0003-I

TITLE: Allegation of Possible Abuse of Overtime by Employees in the Department of Property Management in calendar year 2018

LOCATION OF OCCURRENCE: City of New Orleans, Orleans Parish, Louisiana

DATE OF OCCURRENCE: On or about January, 2018, through December, 2018

INVESTIGATED BY: Investigator Michael Centola

VIOLATION:

Civil Service Commission, City of New Orleans, Rule IV, 9.7 (a):

Advance approval must be obtained from the Civil Service Department if an employee is expected to exceed 750 hours of overtime in a year, whether regularly scheduled or otherwise

ACTION TAKEN: Investigative findings reported to the Chief Administrative Officer

BASIS FOR INVESTIGATION

The City of New Orleans Office of Inspector General (OIG) received information that Department of Property Management (DPM) employees were paid excessive and possibly unnecessary overtime.

BACKGROUND

In addition to the maintenance of City properties and buildings, the DPM is responsible for coordinating portions of numerous special events held both in City buildings and events that rely on the City Hall Parking Garage for public parking. These events include, but are not limited to, Mardi Gras, the Essence Festival, and all National Football League and college football games held at the Superdome. However, the DPM no longer has employees working overtime at the City Hall Parking Garage in conjunction with events held at the Superdome.

RESULTS OF INVESTIGATION

The DPM's overtime use is a necessity based on the department's mission, which includes participating in special events planning and responding to emergency building repairs when required. Overtime is also needed to address coverage in buildings, which require 24-hour staffing. The department has worked on establishing better schedules; however, there are times when overtime is needed to cover a shift or event in a building not fully staffed for evening and overnight shifts. Overtime is also necessary for completing emergency repairs and to assist in emergency events such as Hurricanes and other extreme weather events. Overtime expenditures may also arise when the DPM assists in Mayoral special events.

On September 18, 2019, an OIG Investigator interviewed DPM Director Martha Griset (Griset), and Human Resources Director Stephanie Landry (Landry). Griset became DPM Director on June 25, 2018. According to Griset, when she and Landry assumed their current roles, they learned of overtime abuse allegations within DPM. Griset and Landry contended the Civil Service office may have been the source for this allegation because Civil Service routinely reviewed overtime use. After Civil Service provided the information to the City Council, the issue was raised with Griset during a budget hearing. Griset contended large amounts of DMP overtime were undetected in the past because the City changed to the ADP payroll system. Civil Service could not access payroll information in the ADP system and, therefore, was unable to review overtime usage until recently.

According to Griset and Landry, PMD experienced large amounts of overtime because either six or seven City employees were paid overtime to staff the City-owned parking lots leased to SP+, a parking company, for special events. SP+ is responsible for the operation of the lots during these special events including the collection of parking fees. Griset discontinued the practice of using PMD employees to staff these special events.

On October 18, 2018, in an Interoffice Memo, Civil Service Personnel Director Lisa Hudson (Hudson), informed Griset that, as of September 18, 2018, four (4) employees had exceeded or may have exceeded the city's new expanded overtime threshold.¹

¹ See Interoffice Memorandum dated October 18, 2018, from Civil Service Personnel Director Lisa Hudson to Department of Public Management Director Martha Griset, attached as Exhibit 1.

In an Interoffice Memo dated November 1, 2018, to Hudson, Griset acknowledged a request for information regarding DPM employees who exceeded or may have exceeded the threshold of 750 hours of overtime for FY2018.² DPM Director Griset responded:

Unfortunately, in order to accommodate special events requests, an exorbitant amount of overtime was used this year, although a large portion was also due to poor monitoring of overtime by former managers in the previous administration and, at times, insufficient staffing.

Two of the four employees identified in the October 18, 2018, memorandum had retired prior to the initiation of this investigation.³ In addition, the management personnel who approved the overtime had also retired or had been removed.

Interviews of current City employees including two who had exceeded 750 hours of overtime in 2018, revealed employees were paid overtime to work at events in which their presence was unnecessary. However, the OIG found no instances of DPM employees receiving overtime pay who were not present at the job sites.

DPM cut their overtime cost by half or more in 2019 and had no employees who worked over 750 overtime hours in 2019.

CONCLUSIONS

When the current DPM Administration assumed control, DPM reorganization and overtime control quickly became the top priorities.

The DPM implemented the following safeguards to monitor and manage overtime usage:

- A memo regarding overtime use was sent to all employees informing them overtime cannot be worked without prior approval by the DPM Director or Deputy Director.
- Supervisors are required to submit overtime requests on a departmental overtime form in advance with justification for use of overtime. The DPM utilizes a “Department of Property Management Overtime Request Form” to identify and describe the task to be performed, the names of the employees required to work, the number of hours requested, and why the task must be performed on overtime. This form must be approved by both the division head and the DPM Director.
- Overtime by employees assigned to monitor the City Hall Garage during football games and special events, which was a common practice under previous management, is eliminated. This decision was based on the City having an active contract with a vendor who manages the City Hall & the former Veterans Administration garages for these special events.

² See Interoffice Memorandum dated November 1, 2018, from Department of Public Management Director Martha Griset to Civil Service Personnel Director Lisa Hudson attached as Exhibit 2.

³ See Exhibit 1, referencing employees Alan Burkhardt and Harrison Winfield.

- When possible, flextime is used instead of overtime.
- Overtime use is being closely monitored and tracked bi-weekly through use of ADP reports and the current payroll system, which provides management tools to assess where overtime events were located and which employees worked overtime. These systems also allow for reconciliation of overtime request forms. DPM utilizes the ADP payroll system to track overtime use and costs. Overtime events are assigned charge codes in the ADP system which allow the tracking of hours, cost to employees, and events. Locations are also tracked using the ADP system.
- According to the DPM Director, the DPM Human Resources Department is currently assessing department positions to assist in the reduction of overtime needs by either hiring additional personnel or the consolidation/addition of duties to current DPM personnel. Appropriate personnel assignment in areas or locations which experienced a large amount of overtime is being assessed.

This information is provided to you for any action you deem necessary. Please respond within 30 days as to what action you decide to take concerning these matters. Please contact Investigator Michael Centola at (504) 681-3229 or via email at mcentola@nolaoig.gov if you have any question regarding this matter. I can be contacted at (504) 681-3212 or via email at धारपर@nolaoig.gov. Thank you for your assistance in this matter.

Sincerely,



DERRY HARPER
INSPECTOR GENERAL

EXHIBITS ATTACHED

| Exhibit No. | Description |
|-------------|--|
| Exhibit 1 | Interoffice Memorandum from Civil Service Director of Personnel Lisa Hudson to DPM Director Martha Griset dated October 18, 2018 (2 pages) |
| Exhibit 2 | Interoffice Memorandum from DPM Director Martha Griset to Civil Service Director of Personnel Lisa Hudson dated November 1, 2018 (4 pages) |

New Orleans Civil Service Department Interoffice Memorandum

To: Martha Griset, Director of Property Management

From: Lisa Hudson, Director of Personnel

Date: October 18, 2018

Subject: Request for Overtime Information

Civil Service Rules require advance approval if an employee is expected to exceed 750 hours of overtime in a year for positions in select public safety or special event departments and 416 hours in a year for all other employees. Furthermore, each agency that exceeds or anticipates exceeding this threshold shall appear before the Commission to seek approval and shall submit annually to the Civil Service Department a projection of overtime by individual, an explanation of the activities requiring overtime, and a basis for relying on overtime.

It appears based on overtime reports we have received from ADP relative to overtime that has already been worked through September 18, 2018 your department has both exceeded or may be expected to exceed the city's new expanded overtime threshold for the following employees.

In order to provide the data the Commission requested related to your department's employees who are anticipated to exceed the overtime threshold, could you please respond to the following questions:

Public Works Maintenance Superintendent, Thomas Terry (1,000 overtime hours)
Alan Burkhardt (717 overtime hours)

1. Within your department, both of your Public Works Maintenance Superintendents have worked a substantial amount of overtime. This employee has already exceeded the maximum overtime allowed by the rules. Please provide details as to the work performed by these individuals that have necessitated so much overtime hours.
2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.
3. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies for in order to make an additional appointment or promotion ?

Laborer, Winfield Harrison (630 overtime hours)

1. Within your department, one of your nine Laborers has worked a substantial amount of overtime. Mr. Harrison is on pace to exceed 750 hours of overtime and exceeds the overtime earned by his peers in the same classification. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to his peers in that classification. ?

2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.
3. This is a basic skills position which allows for direct appointments. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies for in order to make an additional appointment.

Maintenance Engineer, Iron Porche (896 overtime hours)

1. Within your department, one of twenty-two Maintenance Engineers have worked a substantial amount of overtime. Mr. Porche has already exceeded 750 hours of overtime and exceeds the overtime earned by his peers in the same classification. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to his peers in that classification.
2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.
3. There are seven applicants on the eligible list for this classification. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies in order to make an additional appointment or promotion?

Maintenance Worker, Karen Arrocha (609 overtime hours)

1. Within your department, one of two Maintenance Workers have worked a substantial amount of overtime. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to her peer in that classification.
2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.
3. There are seventeen applicants on the eligible list for this classification. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies in order to make an additional appointment or promotion?

Following the receipt of this information, we will continue our review. In addition, members of the staff would be happy to meet with you to address your staffing needs related to the overtime issue. It is our intent to address any matter related to the Commission's Overtime Rules at October's meeting.

Please feel free to contact me if there are any questions or if I can be of assistance.

cc: Courtney Bagneris

Department of Property Management Interoffice Memorandum

To: Lisa Hudson, Director of Personnel
From: Martha Griset, Director (Interim) 
Date: November 1 2018
Subject: Response to Request for Overtime Information

We are in receipt of your request for information regarding employees of Property Management who have or may exceed the threshold of 750 hours of overtime for FY2018.

Property Management is responsible for coordinating parts of major special events which include, but is not limited to Mardi Gras, Essence Festival, Bayou Classic, and both private and Mayoral special events throughout the year. The department is also responsible for providing support services for events approved through Safety & Permits' One-Stop Shop. Unfortunately, in order to accommodate special events requests, an exorbitant amount of overtime was used this year, although a large portion was also due to poor monitoring of overtime by former managers in the previous administration and, at times, insufficient staffing.

Additionally, two emergency events during FY2018 required overtime coverage: the infamous Ice Storm and Hurricane Gordon preparation.

I assure you, overtime was one of the first issues addressed upon being appointed as Interim Director. As a result of enforcing overtime approvals by management and implementing guidelines and safeguards to monitor overtime spending, we have reduced overtime spending considerably. We definitely plan to continue closely monitoring of overtime during FY2019.

We offer the following responses to your request for information on overtime spending:

Public Works Maintenance Superintendent, Thomas Terry (1,000 overtime hours)
Alan Burkhardt (717 overtime hours)

- 1. Within your department, both of your Public Works Maintenance Superintendents have worked a substantial amount of overtime. This employee has already exceeded the maximum overtime allowed by the rules. Please provide details as to the work performed by these individuals that have necessitated so much overtime hours.**

Mr. Terry is assigned to respond to any emergency repairs required throughout City Hall and Civil District Court on a 24/7 basis. Mr. Terry's team is also responsible for setting up stages, chairs and equipment for major and minor special events, board meetings, etc. At times, he is required to work after-hour projects for the Mayor's Office or Civil Court. Moreover, prior to new department management, there was insufficient monitoring of overtime work and no enforcement of a departmental overtime approval process.

Mr. Burkhardt, likewise is assigned to respond to any emergency repairs required for the Criminal Justice Complex which includes, Criminal District Court, NOPD, Municipal/Traffic Court and Sheriff's Office. At times, he is required to work after hours to respond to emergency repair issues or requests for repairs by the judges for Criminal Justice Complex. Again, prior to new management there was no monitoring of overtime hours nor was there any enforcement of the departmental overtime approval process.

- 2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.**

No, it is generally based on work orders and emergencies. Our long term goal is to continue with overtime safeguards implemented in 2018 which has resulted in significantly reducing overtime spending.

- 3. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies for in order to make an additional appointment or promotion?**

No, we are in the process of assessing positions within the department and plan to meet with Civil Service in the near future to discuss re-organization plan.

Laborer, Harrison Winfield (630 overtime hours)

- 1. Within your department, one of your nine Laborers has worked a substantial amount of overtime. Mr. Harrison is on pace to exceed 750 hours of overtime and exceeds the overtime earned by his peers in the same classification. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to his peers in that classification.**

Mr. Winfield is assigned to Building Maintenance and is supervised by Mr. Terry. It appears that Mr. Terry utilized him to assist with jobs requiring overtime.

- 2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.**

No, it is based on work orders and emergencies. Our long term goal is to continue with overtime safeguards implemented in 2018 which should result in a significant reduction in overtime spending.

- 3. This is a basic skills position which allows for direct appointments. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies for in order to make an additional appointment.**

No, but there is a high separation rate/turnover of employees in the position of laborer which will be addressed in re-organization plan.

Maintenance Engineer, Iron Porche (896 overtime hours)

- 1. Within your department, one of twenty-two Maintenance Engineers have worked a substantial amount of overtime. Mr. Porche has already exceeded 750 hours of overtime and exceeds the overtime earned by his peers in the same classification. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to his peers in that classification.**

Mr. Porche is assigned to Multi Service Centers and he is considered a "floater." He is required to work after hours to handle closures at buildings and respond to any emergencies. We are aware of the exorbitant amount of overtime, we are working with his supervisor to create a more realistic scheduling approach for all stationary engineers.

- 2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.**

No, based on work orders and emergencies. Our long term goal is to continue with overtime safeguards implemented in 2018 which have resulted in a significant reduction in overtime spending and address the scheduling issues.

- 3. There are seven applicants on the eligible list for this classification. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies in order to make an additional appointment or promotion?**

We anticipate imminent vacancies due to retirements this year. We are also assessing need for additional engineers to provide adequate coverage of shifts that were presumably left vacant during former administration and budgeted funds were used to offset certain promotions.

Maintenance Worker, Karen Arrocha (609 overtime hours)

- 1. Within your department, one of two Maintenance Workers have worked a substantial amount of overtime. Please provide details as to the work performed by this individual that has necessitated so much overtime hours by this individual as compared to her peer in that classification.**

Ms. Arrocha was assigned to Building Maintenance and was supervised by Mr. Terry. It appears that Mr. Terry utilized her to assist with jobs requiring overtime.

- 2. Is the overtime work based upon a temporary special assignment? If not, please explain your department's long-term plan to address the disproportionate overtime earnings.**

No, it is based on work orders and emergencies. Ms. Arrocha is currently assigned to clerical duties and should not be required to work as many overtime hours. However, the long term goal is to continue with overtime safeguards implemented in 2018 which has resulted in a significant reduction in overtime spending.

3. There are seventeen applicants on the eligible list for this classification. Does your department have any vacancies for this position? If not, would this be a class that the department would consider requesting additional vacancies in order to make an additional appointment or promotion?

No, we may request additional positions which will be addressed in re-organization plan.

Unfortunately due to the aforementioned circumstances during the course of the year some departmental personnel have and/or may exceed the 750 hours of overtime as outlined in Civil Service Rule IV, Section 9.7(a) and 9.10 for this fiscal year. Please allow this memorandum to serve as an official request for an exception for FY2018 for the Department of Property Management.