

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**REPORT ON HOTLINE COMPLAINTS  
AT THE DISTRICT OF COLUMBIA  
DEPARTMENT OF MENTAL HEALTH**



**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



August 13, 2003

Martha B. Knisley  
Executive Director  
Department of Mental Health  
64 New York Avenue, N.E., 4th Floor  
Washington, D.C. 20002

Dear Ms. Knisley:

Enclosed is our final report summarizing the results of our review (OIG No. 2-02-17RM) of hotline complaints made to the Office of the Inspector General (OIG) by anonymous callers in regard to the Department of Mental Health (DMH). The complaints reviewed as part of this audit concern abuse of time and attendance procedures, inappropriate use of government resources, and circumvention of personnel regulations.

As a result of our audit, we directed 8 recommendations to DMH for necessary action to correct the noted deficiencies. We received seven allegations of which, three were substantiated, two were partially substantiated, and one allegation was unsubstantiated. Additional information is being requested from DMH to finalize a review of one allegation. Prior to the issuance of this report, DMH initiated action to correct some of the deficiencies noted during the audit. The full text of the DMH response is included at Exhibit B of this report.

If you have any questions, please contact me or William J. DiVello, Assistant Inspector General for Audits, at the number below.

Sincerely,

*Justin Andersen, Deputy IO*  
for Charles C. Maddox, Esq.  
Inspector General

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## EXECUTIVE DIGEST

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### BACKGROUND

The District of Columbia Office of the Inspector General (OIG) has completed an audit of hotline complaints made to the Office regarding alleged improprieties at the District of Columbia, Department of Mental Health (DMH). The audit was initiated after the OIG’s Investigations Division (ID) referred two Hotline complaints concerning various improprieties at DMH to the Assistant Inspector General for Audits for review. Any identified fraud or illegal acts resulting from the auditors’ review will be referred to the ID for additional action, as deemed appropriate.

The complaints involve alleged abuse of time and attendance, inappropriate payment of overtime and misuse of government resources by DMH employees. Additionally, it was alleged that a DMH employee was working an improper “flextime” schedule, and that a DMH employee received a promotion without meeting the time-in-grade requirements.

As a result, the OIG notified the Director of DMH of our intent to expand the scope of our ongoing audit at DMH to include a review of the Hotline complaints. The overall objective of this review was to determine the validity of the allegations.

The review included an analysis of DMH time and attendance records and other related documents. We conducted interviews with the employees identified in the Hotline complaints, as well as their supervisors and timekeepers. In addition, we interviewed the Director of DMH and other senior DMH officials.

We conducted the audit in accordance with generally accepted government auditing standards and included such tests as we considered necessary under the circumstances.

### CONCLUSIONS

Of the seven allegations, three are substantiated, two are partially substantiated, and one allegation is unsubstantiated. One allegation remains open until additional information is provided by DMH. The following table reports our findings by allegation.

	<b>Substantiated</b>	<b>Unsubstantiated</b>	<b>Partially Substantiated</b>	<b>Open</b>
1				<b>X</b>
2			<b>X</b>	
3	<b>X</b>			
4			<b>X</b>	
5		<b>X</b>		
6	<b>X</b>			
7	<b>X</b>			

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## EXECUTIVE DIGEST

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We found that: (1) a physician received an inappropriate salary; (2) an employee received a salary while placed on unsupported administrative leave for a 16-month period; (3) a physician received inappropriate overtime payments; (4) government resources were used to sponsor an “invitation only” party that excluded hospital patients; and (5) DMH did not fully adhere to District personnel regulations regarding time-in-grade waiver requirements in promoting an employee to the DS-15 level.

### CORRECTIVE ACTIONS

We directed eight recommendations to the Director of DMH. The recommendations, in part, center on:

- providing additional information in order to resolve an open allegation;
- requiring supervisors to attend training regarding time and attendance procedures;
- developing and implementing procedures to ensure appropriate documentation is prepared and written approvals are obtained for all employees granted administrative leave;
- determining if flextime work schedules are needed to fulfill DMH court ordered mandates and, if needed, requesting enabling legislation to permit use of flextime work schedules;
- establishing procedures for routine supervisory reviews of time and attendance records;
- using appropriate funds to reimburse Medicare and grant funds expended for a July 4<sup>th</sup> party; and
- establishing procedures to ensure that promotions requiring a waiver of the time-in-grade requirement are fully in accordance with District personnel regulations.

A summary of potential benefits is shown at Exhibit B.

### MANAGEMENT RESPONSE AND OIG COMMENTS

On July 8, 2003, DMH provided a written response to the recommendations to the draft audit report we issued on April 15, 2003. In general, management concurred with the report and provided a listing of actions taken or planned to address the recommendations. The complete response is included at Exhibit B. Based on the additional information that we received from DMH, we have changed all references made to Medicaid funds to correctly read Medicare funds.

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## EXECUTIVE DIGEST

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### **ALLEGATION 1: A FORMER DMH EMPLOYEE RECEIVED A SALARY BUT DID NOT REPORT TO WORK FOR THE PERIOD JUNE 2001 THROUGH JANUARY 2002**

#### **CONCLUSION**

Our review of the former DMH employee's time and attendance records (T&As) for the period June 1, 2001, through January 26, 2002, confirmed that the former employee received salary payments for the entire period. However, we could not determine whether the former employee reported to work during this period because of conflicting statements received from senior DMH officials. Therefore, we request that DMH re-examine the files and provide us with additional information to finalize our review of this allegation.

#### **DETAILS OF REVIEW**

We held interviews and discussions with the former employee's supervisor, two time and attendance certifying officials, and the Director of DMH. Neither of the certifying officials could verify that the former employee reported to work during the 6-month period, even though they certified the employee's attendance on the T&As. The certifying officials informed us that they were instructed by DMH management to certify the employee's attendance on the T&As.

OIG auditors also interviewed the former employee's supervisor, a senior Deputy Director for DMH. The senior Deputy Director could not verify the former employee's attendance. However, the Deputy Director informed us that the former employee was on a "special project" for the DMH Director. We noted that during the time period in question the senior Deputy Director's office was located at the DMH Van Ness Street location, while the former employee was assigned an office located in "Building A" on the campus of the Saint Elizabeths Hospital (Hospital).

However, we determined that the former employee did not work at the Hospital office location during the period in question because OIG auditors used the former employee's "empty" office as workspace during the course of our ongoing audit of DMH. Consequently, we concluded that the former employee was working neither on the campus of the Hospital nor at the DMH Van Ness Street location.

We interviewed the DMH Director, who informed that us that the former employee was assigned a special project to develop a drug-related program for DMH. The Director also stated that the former employee commenced work on the special project in approximately June 2001 and completed the project in the January 2002 time frame. We were further informed that the former employee was not assigned a specific office location, but instead worked sporadically at the Van Ness office location and from home. However, the District personnel regulations do not permit employees to work from their home.

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## EXECUTIVE DIGEST

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Finally, the DMH Director stated that during a portion of the time in question, the former employee was on business related travel for the project. The Director explained that the former employee was working directly for the DMH Office of the Director, who should have been responsible for the employee's time and attendance.

Our preliminary analysis of this allegation indicates that:

- The former employee received salary payments for the period July 1, 2001, through January 26, 2002.
- We could not determine if the former employee reported to work for the period June 1, 2001, through January 26, 2002.
- The former employee did not report his time and attendance to his immediate supervisor.
- During the period in question, the former employee's T&As were incorrectly certified by two DMH time and attendance certifying officials, without actually verifying his attendance.
- The DMH Director confirmed that the former employee occasionally worked from home, contrary to District personnel regulations.

### **RECOMMENDATION**

1. To facilitate a complete review of this allegation, we recommend that the Director, Department of Mental Health, provide the OIG with the following documentation:
  - a. A copy of the former employee's special project work assignment.
  - b. Copies of progress reports provided by the former employee detailing the monthly status and progress made on the project.
  - c. A copy of the employee's completed special project and documentation showing how the special project was utilized by the Department of Mental Health.
  - d. Dates and locations of the former employee's place of work, including names of individuals who can verify the actual presence of the employee at those locations.
  - e. Copies of all travel vouchers for the former employee.

## **EXECUTIVE DIGEST**

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### **DMH Response**

DMH concurred with the recommendation and provided the OIG documentation concerning this issue.

### **OIG Comment**

In its response to the draft report, DMH provided us with substantial documentation relative to verifying the former employee's work assignment. However, supporting documentation was not provided to verify work activities for the period June 1, 2001, through August 16, 2001. Therefore, we request that DMH re-examine its files and provide us with additional information to finalize our review of this allegation. We would appreciate a final response by August 30, 2003.

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## EXECUTIVE DIGEST

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### **ALLEGATION 2: A DMH PHYSICIAN RECEIVED \$75,000 IN INAPPROPRIATE OVERTIME COMPENSATION AND IS PERMITTED TO REPAY THE MONEY, INTEREST-FREE, AT A RATE OF \$50 PER PAY PERIOD**

#### **CONCLUSION**

Our review indicated the allegation was partially substantiated. Prior to our review, DMH initiated collection procedures to recoup the inappropriate overtime payments.

#### **DETAILS OF REVIEW**

OIG auditors reviewed copies of the physician's T&As for the period November 17, 2001, through July 13, 2002, as well as District personnel regulations regarding overtime compensation. We also obtained and reviewed correspondence from the District of Columbia, Office of the Chief Financial Officer Special Pay Division (SPD). The physician was employed by DMH at the rate of an ES-15, step 10.

The District Personnel Manual (DPM) Subpart 7, § 7.2(E-2),(I) provides that employees whose rate of pay is above a DS 10-1 may be compensated for scheduled overtime, if directed by a superior, at one and one-half the hourly rate of DS 10-1. However, overtime pay cannot cause an individual's aggregate pay to exceed the maximum pay of a DS-15. *Id.* at F. Therefore, because the physician's basic pay rate is that of a DS 15-10, he is precluded from receiving overtime pay.

The physician's pay records indicate that he was incorrectly paid overtime at the rate of "time, plus one-half" for the period December 2, 2001, through June 1, 2002, totaling \$36,788.57, and not \$75,000 as alleged. The overpayment occurred because both the physician and the physician's supervisor were recent hires to DMH and were unaware of the DPM's policies and procedures regarding overtime.

Further review of this allegation indicated that on June 29, 2002, a newspaper article indicated that a physician at the Hospital improperly collected approximately \$25,000 in overtime pay during a five-month period. The article quoted the DMH Director as stating that the physician was repaying the overpayment. However, the repayments did not begin until September 6, 2002, 2 months after the newspaper article was published.

Discussions with DMH personnel indicated the inappropriate overtime payments were detected by DMH internally as early as April 2002. Thus, DMH was aware of the inappropriate overtime payments, but continued to allow the physician to receive overtime pay for two additional months, through June 1, 2002.

On July 5, 2002, DMH provided the SPD with corrected time sheets for the period December 2, 2001, through February 9, 2002. On August 7, 2002, SPD informed the

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## EXECUTIVE DIGEST

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physician that he had been overpaid by \$8,112 and that they would begin payroll deductions in the amount of \$1,000 each pay period until the outstanding balance had been satisfied. The physician protested the decision to withhold the \$1,000 per pay period on the grounds that the amount was excessive.

On August 25, 2002, the SPD reduced the payroll deductions to \$200 per pay period (not the \$50 per pay period as alleged). On September 23, 2002, the SPD sent a letter to the physician correcting the overpayment figure from \$8,112 to \$36,788 for the pay periods December 2, 2001, through June 1, 2002. District policy required that the overpayments be repaid to the District, in an amount not to exceed 20 percent of the employees's disposable gross proceeds. The physician's paycheck is currently subject to bi-weekly withholdings of \$500.

### **RECOMMENDATION**

2. We recommend that the Director, Department of Mental Health, require supervisors to attend training concerning time and attendance approval procedures as outlined in the District Personnel Manual.

### **DMH Response**

DMH concurred with the recommendation and plans to develop a training program for all supervisors, managers, and timekeepers covering time and attendance approval procedures.

### **OIG Comment**

The response meets the intent of the recommendation, and the actions planned by DMH should correct the condition noted.

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## ANALYSIS OF ALLEGATIONS

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### **ALLEGATION 3: A DMH EMPLOYEE STAYED HOME FOR A YEAR AND CONTINUED TO RECEIVE A PAYCHECK WHILE ON UNAUTHORIZED ADMINISTRATIVE LEAVE**

#### **CONCLUSION**

Our review substantiated the allegation. The employee continued to receive a salary while on administrative leave for the 16-month period of October 10, 2000, through January 14, 2002, with the knowledge of DMH management. During that period, the employee received approximately \$32,428 in salary payments. However, we found no written documentation authorizing the employee to be on administrative leave for the extended period of time.

#### **DETAILS OF REVIEW**

OIG auditors interviewed the employee, DMH's Director of Human Resources, and reviewed the employee's personnel file and T&A records. Our review of the employee's personnel files revealed a long history of personnel actions and litigation that culminated in a Settlement Agreement between the employee and the District of Columbia's Office of Corporation Counsel, dated June 22, 2000. We also reviewed a Memorandum of Understanding (MOU) between the D.C. Office of Contracting and Procurement (OCP) and the Commission on Mental Health Services (now known as the Department of Mental Health). In the MOU, dated May 30, 2000, the parties agreed that the employee would be temporarily transferred to the OCP beginning June 1, 2000, for a period of 120 days (through September 30, 2000), and occupy the position of Purchasing Agent, DS 1105-06. The subsequent Settlement Agreement provided that the employee be formally reassigned to that position within the 120-day period.

In reviewing the events that occurred during this 120-day period, we found no indication that OCP or DMH took the necessary actions to permanently effect the transfer. Rather, in a memorandum dated October 10, 2000, OCP notified DMH that the MOU had "expired" and that they were no longer interested in "extending the agreement." Our review determined that at the end of the 120-day period, DMH placed the employee on administrative leave with pay for the period October 10, 2000, through January 14, 2002. The employee's time and attendance records confirm that the employee did not report to work while on administrative leave.

In response to our request for documentation to support the use of administrative leave, the Department of Human Resources (DHR) was unable to provide any supporting documentation and informed us "there were no written communications instructing DMH management to place and keep the subject employee on administrative leave." The Director of DHR informed our auditors that there were "verbal instructions" given to DMH management to place the employee on administrative leave but could not provide details of those "verbal instructions."

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## ANALYSIS OF ALLEGATIONS

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The unsupported administrative leave was not identified until the employee contacted DMH regarding a missing paycheck, around December 2001. At that time, the DHR issued a letter to the employee, dated January 4, 2002, terminating her administrative leave as of January 11, 2002, and ordering her to return to work on January 14, 2002. Currently, the employee in question is working at DMH in her original position.

### **RECOMMENDATIONS**

We recommend that the Director, Department of Mental Health:

3. Coordinate with the OCP and the Office of Corporation Counsel to review the current terms of employment for the employee in question, and take appropriate actions deemed necessary to ensure that the terms of the Settlement Agreement are fulfilled.
4. Ensure that appropriate documentation and written approvals are obtained for all employees placed on paid administrative leave.

### **DMH Response**

DMH concurred with the Recommendations 3 and 4 stating that the matter in question was initiated during the federal court-ordered receivership and approved under the authority of the receiver, and that the employee was returned to active duty status as of January 14, 2002, therefore meeting the terms of the settlement agreements. DMH also stated that they will incorporate granting approvals for administrative leave into the training program for all supervisors, managers, and timekeepers covering time and attendance approval procedures.

### **OIG Comment**

We consider DMH's actions to be responsive and meet the intent of Recommendations 3 and 4 .

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## ANALYSIS OF ALLEGATIONS

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### **ALLEGATION 4: A DMH SENIOR OFFICIAL IS ASSIGNED A 4-DAY WORK SCHEDULE AS FLEXTIME BUT THE OFFICIAL DOES NOT WORK A 10-HOUR WORKDAY**

#### **CONCLUSION**

Our review found that the allegation was partially substantiated. Our review confirmed that the employee works 40 hours per week pursuant to a compressed, flextime schedule of 4-days per week, 10 hours per day. However, the DPM makes no provision for employees to work a compressed flextime work schedule such as the schedule at issue here.

#### **DETAILS OF REVIEW**

We examined the DMH senior official's T&A records for the period April 20, 2002, through July 13, 2002. We conducted interviews with the DMH Director of Human Resources, the DMH senior official, and the DMH Director. In addition, we reviewed the DPM, Chapter 12, Subpart 2.4 for related criteria.

A review of the senior official's T&A records indicated that his duty hours were from 8:00 am until 6:30 pm, 4 days a week, for a total of 40 hours weekly. Therefore, the official was working a compressed 40-hour "flextime" work schedule. The DPM Chapter 12, Subpart 2.4(A) and (B-1) provides for the use of a flextime work schedule with approval of the head of an agency. However, the employee must work an 8-hour shift, 5 days per week.

We interviewed the senior official, who acknowledged working a compressed work schedule that permitted him to spend 3-day weekends with his family at his home in Connecticut. Further, the DMH Director was aware of the senior official's compressed workweek. The DMH Director stated that she was unaware that the DPM did not authorize employees to work a compressed work schedule. However, when informed of this regulation, she believed that she could make an exception to the DPM policy, as the head of the agency, because the senior official was serving in a critical-function position, and that the senior official was essential to fulfilling one of DMH's court ordered mandates.

Both the D.C. Code and District Personnel Regulations (DPM) provide that a District government employee's "basic workweek" is composed of "40 hour[s] . . . scheduled on 5 days . . ." D.C. Code § 1-612.01 (b)(2) (2001); *see* DPM Chapter 12, Subpart 1.3 (regular basic workweek). Whereas federal government employees are permitted to work a compressed work schedule, there is no similar provision for District government employees. *See* 5 U.S.C.S. § 6120 (LEXIS through 2003 legislation) ("Congress finds that the use of . . . compressed work schedules has the potential to improve productivity in the **Federal Government** . . . ) (emphasis added); 5 U.S.C.S. § 6121 (LEXIS through 2003 legislation) ("employee" has the meaning given the term in subsection (a) of section 2105 of this title, [which] also includes and employee described in subsection (c) of that section."); 5 U.S.C.S.

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## ANALYSIS OF ALLEGATIONS

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§ 2105 (a) and (c) (LEXIS through 2003 legislation) (definition of “employee” for purposes of 5 U.S.C.S. § 6120 does **not** include individuals employed by the District government); D.C. Code § 1- 612.01 (e) (2003) (“The Mayor shall issue rules and regulations governing . . . the use of flexible work schedules within the 40 hour workweek . . . .” The Mayor is not accorded rulemaking authority for the use of compressed work schedules.). In addition, there are provisions of the Fair Labor Standards Act, codified at 29 U.S.C.A. §§ 201 *et seq.*, which must be amended by Congress to “exempt the District government from the applicability of the overtime provisions when employees are on a compressed work schedule up to 80 hours per pay period.” *Id.* § 1-612.01 (Miscellaneous Notes – applicability of § 101 (?) (1) of D.C. Law 12-124: Section 401 (b) of D.C. Law 12-124, as amended by § 60 of D.C. Law 12-264). Absent congressional legislation modifying existing law, there can be no permissible exceptions allowing District employees to work a compressed work schedule.

### **RECOMMENDATION**

5. We recommend that the Director, Department of Mental Health ensure that all employees comply with D.C. Code and District Personnel Regulations.

### **DMH Response**

DMH concurred with our recommendation, although, the employee in question is no longer an employee of DMH. DMH intends to include training for all supervisors, managers, and timekeepers on the District’s policy as it relates to modified work schedules.

### **OIG Response**

We consider DMH’s actions responsive to our recommendation.

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## ANALYSIS OF ALLEGATIONS

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### **ALLEGATION 5: A DMH SENIOR OFFICIAL TOOK AT LEAST 60 HOURS OF LEAVE THAT WAS NOT ADMINISTRATIVELY ACCRUED**

#### **CONCLUSION**

Our review indicated that this allegation was unsubstantiated. The senior official was administratively advanced 4 hours of annual leave and not the 60 hours as alleged.

#### **DETAILS OF REVIEW**

OIG auditors reviewed the senior official's T&A records for the period March 9, 2002, through July 13, 2002. In reviewing the circumstances surrounding the senior official's leave, we noted that on April 26, 2002, the official prepared a "Request For Leave or Approved Absence", Standard Form 71, requesting 40 hours of annual leave for the period June 24, 2002, through June 28, 2002. At the time the request was prepared, the senior official had only 36 hours of accrued leave. Accordingly, the senior official requested 36 hours of earned annual leave and an advancement of 4 hours (of annual leave). The request was approved on April 30, 2002.

However, in reviewing the senior official's T&A records, as of September 9, 2002, we noted that neither the 36 hours of earned annual leave nor the 4 hours of advanced leave was recorded on official payroll records. On September 9, 2002, we brought this matter to the attention of the senior official and the responsible time and attendance clerk. The senior official acknowledged that annual leave for the period June 24, 2002, through June 28, 2002, had not been deducted on the earnings and leave statement as of the pay period ended August 24, 2002.

The time and attendance clerk explained that she did not properly code the leave used by the senior official. In response to our audit, she submitted an adjusted time and attendance record to record the 40 hours of leave used. However, we noted that DMH did not have procedures requiring supervisors to routinely review T&A records and data entry performed by T&A clerks.

#### **RECOMMENDATION**

6. We recommend that the Director, Department of Mental Health establish procedures for routine supervisory reviews of the T&A records, including approved leave, that are recorded by the time and attendance clerks in the official payroll records.

## **ANALYSIS OF ALLEGATIONS**

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### **DMH Response**

DMH concurred with our recommendation and will include training sessions for supervisors, managers, and timekeepers the procedures for the validation of all time and attendance records.

### **OIG Comment**

DMH's actions are considered to be responsive and meet the intent of our recommendation.

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## ANALYSIS OF ALLEGATIONS

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### **ALLEGATION 6: THE CHIEF EXECUTIVE OFFICER FOR SAINT ELIZABETHS HOSPITAL USED GOVERNMENT RESOURCES TO SPONSOR A PRIVATE JULY 4<sup>TH</sup> PARTY THAT EXCLUDED PARTICIPATION BY DMH PATIENTS**

#### **CONCLUSION**

Our review substantiated the allegation. Government resources were used inappropriately to sponsor an “invitation only” party on July 4, 2002, at Saint Elizabeths Hospital’s West campus.

#### **DETAILS OF REVIEW**

OIG auditors reviewed funding documents, a party announcement, and other information relating to the July 4, 2002, party on the West Campus of the Hospital. We also interviewed the DMH Director, the CEO of the Hospital, other DMH personnel, and an individual who attended the party. Additionally, we reviewed criteria contained in the Office Management and Budget Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments” concerning the allowability of costs on federal grants (such as a Medicare grant).

Based on the interviews, we determined that patients on the campus of the Hospital were historically allowed to view the July 4<sup>th</sup> fireworks display from “The Point,” located on the Hospital’s West Campus. The Point abuts the Anacostia River and provides a scenic overlook of the Washington D.C. fireworks display.

During the course of our review, we obtained an untitled and unsigned document that appeared to be a guest list/party invitation for the affair. This document was produced on DMH letterhead and contains the names of 40 individuals who were either DMH employees or members of a mental health care advocacy group. The document indicated that individuals on the guest list had been authorized to participate in the July 4<sup>th</sup> celebration at “the Point” and further indicated “no other persons are authorized to enter Saint Elizabeths Hospital Campus for this event. . . .” The guest list was used at the security gate to admit only those individuals whose names appeared on the list. No patients housed at Saint Elizabeths Hospital were included on the guest list and our review produced no indication that Hospital patients attended the party.

During the course of our review, we also obtained documentation indicating that Medicare funds were used to rent portable bathroom facilities for “patient use” and that other grant funds were used to rent a 20 foot by 40 foot tent “to protect patients from direct sunlight and potential health emergencies during patient festivities planned for July 4<sup>th</sup>.” The funding documents specifically indicated that funds were being spent for the benefit of patients. Because Hospital patients did not attend the July 4<sup>th</sup> party, costs associated with the event

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## ANALYSIS OF ALLEGATIONS

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should not have been underwritten with Medicare or grant funds.<sup>1</sup> A total of \$180 in Medicare funds, and \$500 in grant funds were expended on the party.

The CEO for the Hospital informed us that the decision to utilize the Medicare and grant funds for the affair should be discussed with the DMH Director. The DMH Director indicated the existence of “coding problems” at the Hospital and that the expenditures for the event could have been coded incorrectly. The DMH Director also indicated she thought that Medicare and grant funds could be used for functions of this nature.

The DMH Director further noted that that due to funding restrictions, funds were not available to transport patients, or to pay for patient care needs (e.g., nursing staff) during the event. However, the DMH director could not explain whether Medicare and/or grant funds were sought or available to pay for the patients’ transportation and other care costs so that they could have attended the event.

The DMH Director added that July 4, 2002, was a “code red” day, due to severe hot weather conditions, and that it was not advisable to subject the patients to those weather conditions. However, we note that the fireworks display on the National Mall did not commence until 9:10 pm that evening.

Upon review and analysis, OIG determined:

- A party was held on July 4, 2002, on the West Campus of the Hospital.
- Patients from the Hospital were not invited, and did not attend the event.
- Medicare and grant funds were used to fund the event.

### **RECOMMENDATION**

7. We recommend the Director, Department of Mental Health use appropriate funds to reimburse the Medicare and grant funds that were used to pay for the July 4, 2002, party.

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<sup>1</sup> Office Management and Budget Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments,” Section C. Basic Guidelines 1(a) provides that to be allowable under federal awards, (Medicare) costs must be necessary and reasonable. Therefore, since Hospital patients did not attend the function, the costs associated for the function should not be charged as Medicare costs.

## **ANALYSIS OF ALLEGATIONS**

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### **DMH Response**

DMH concurred with our recommendation in part, stating that the event was incorrectly charged to Medicare funds, and submitted supporting documentation to reflect the appropriate billing to State Mental Health Block Grant funds. These funds can be used for community purposes.

### **OIG Comment**

DMH's actions are responsive and meet the intent of our recommendation.

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## ANALYSIS OF ALLEGATIONS

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### **ALLEGATION 7: AN EMPLOYEE WAS PROMOTED FROM GRADE DS-12 TO GRADE DS-15 IN 2½ YEARS**

#### **CONCLUSION**

Our review substantiated the allegation. Our review determined that the applicable time-in-grade requirement was waived without the requisite documentation to effectuate the promotion. The promotion was not adequately supported with the appropriate documentation.

#### **DETAILS OF REVIEW**

OIG auditors reviewed the employee's personnel records and interviewed the DMH Director of Human Resources. Our review of the employee's personnel records indicated that the employee started employment with the DMH on December 20, 1999, as a DS-13. As of the date of our review, September 9, 2002, the individual was a DS-15, having been promoted twice since being employed with the DMH<sup>2</sup>. Section 838.5 of the DPM prohibits the promotion of a career service employee at a grade DS-12 or above to a higher grade unless the employee has served a minimum of 1 year at the next lower grade. The time-in-grade may be waived under DPM § 838.6 if the personnel authority determines that one of the four enumerated exceptions apply (e.g., meritorious service and break-in-service cases).

The DMH Director of Human Resources provided the auditors with a copy of the employee's Personnel Action Form 1 (Form 1), indicating that the employee had been promoted to a DS-15, effective August 11, 2002. However, the employee was previously promoted to a DS-14, effective December 16, 2001, and therefore did not meet the 1-year time-in-grade requirement provided in Section 838.5.

The employee's Form 1 indicates that her promotion from DS-14 to DS-15 was based on an "exception to merit staffing plan, Chapter 8, Appendix A, Section A.6(C) 4, waiver of time-in-grade approved by Director of Mental Health on 08-02-02." Our review of the regulation cited on the Form 1 indicated that it does not provide a waiver to the time-in-grade requirement.

Upon our request for justification for the promotion, DMH provided us with a memorandum, which had been approved by the DMH Director, waiving the time-in-grade requirement for the employee, and DPM Instruction No. 8-8 and 9-4, Time-In-Grade Requirements for District Service Schedule Positions, dated August 7, 1986. DMH officials indicated to us that their authority to waive the time-in grade requirement was based upon the DPM Instruction.

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<sup>2</sup> Our findings in this regard differ from the hotline complaint that alleged that the employee was promoted on three occasions from the grade DS-12 salary level.

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## ANALYSIS OF ALLEGATIONS

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The DPM Instruction provides procedural guidelines for applying the time-in-grade requirement. Section III A states, “Requests for waivers of the time-in-grade requirement must be submitted by agency officials to the appropriate Assistant Director of Personnel or Personnel Officer, who will complete a Standard Form 59, Request for Approval of Noncompetitive Action, and approve or disapprove the request”. Standard Form 59, in turn, requires supporting documents, such as: (1) written justification for such request; (2) position description; and (3) any other supporting documents and/or statements.

Although DMH prepared a Standard Form 59, they did not provide a written justification or provide any other supporting documents to explain why a waiver of the time-in-grade requirement for the employee was justified. Consequently, there was no approval by the Office of Personnel waiving the time-in-grade requirement.

### **RECOMMENDATION**

8. We recommend that the Director, Department of Mental Health, establish procedures to ensure that personnel regulations are followed for promotions involving a waiver of the time-in-grade requirement.

### **DMH Response**

DMH disagreed with our recommendation stating that the Department has procedures relating to the waiver of the time-in-grade requirement. DMH also stated that a Standard Form 59 was completed, along with the approval by the DMH Director.

### **OIG Comment**

The DMH comments were noted, and we appreciate the fact that the Director worked directly with the employee in question. However, our conclusion remains that supporting documentation, such as a written justification, should have been appended to the Standard Form 59. Accordingly, DMH should ensure that supporting documentation is available to support management decisions relative to waivers in the promotion process; especially in the event the waiver is challenged. Accordingly, we consider this recommendation resolved.

## DMH RESPONSE TO THE DRAFT REPORT

<b>Summary of Potential Benefits Resulting From Audit</b>		
<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>
1	Program Results. Requires documentation to support special project work assignments.	Nonmonetary.
2	Compliance and Internal Control. Requires supervisors to attend training concerning time and attendance approval procedures as outlined in the District Personnel Manual.	Nonmonetary.
3	Program Results. Requires coordination with the Office of Contracting and Procurement and the Office of the Corporation Counsel to review current terms of employment for an employee, and takes appropriate actions to ensure that the terms of a Settlement Agreement are fulfilled.	Nonmonetary.
4	Compliance and Internal Control. Ensures that appropriate documentation and written approvals are obtained for all employees placed on administrative leave.	Nonmonetary.
5	Compliance and Internal Control. Ensures that all employees comply with the D.C. Code and District Personnel Regulations.	Nonmonetary.
6	Compliance and Internal Control. Establishes procedures for routine supervisory reviews of T&A records.	Nonmonetary.

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## DMH RESPONSE TO THE DRAFT REPORT

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7	Compliance and Internal Control. Requires the use of appropriate funds for specific events.	Nonmonetary.
8	Compliance and Internal Control. Ensures that personnel regulations are followed for promotions involving a waiver of the time-in-grade requirement.	Nonmonetary.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF MENTAL HEALTH



Office of the Director

July 8, 2003

Charles C. Maddox, Esq.  
Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, NW, 5<sup>th</sup> Floor  
Washington, DC 20005

RE: Hotline Complaint No. 2-02-17RM

Dear Mr. Maddox:

Thank you and your office for providing the Department with a copy of your draft report, summarizing the results of your review.

We are responding to the allegations and to your recommendations as follows:

**Allegation 1: A former DMH employee received a salary but did not report to work for the period June 2001 through January 2002.**

**OIG Recommendations:** To facilitate a complete review of this allegation, we recommend that the Director, Department of Mental Health, provide the OIG with the following documentation:

- a. A copy of the former employee's special project work assignment.
- b. Copies of progress reports provided by the former employee detailing the monthly status and progress made on the project.
- c. A copy of the employee's completed special project and documentation showing how the special project was utilized by the Department of Mental Health.
- d. Dates and locations of the former employee's place of work, including names of individuals who can verify the actual presence of the employee at those locations.
- e. Copies of all travel vouchers for the former employee.

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**DMH Response to Recommendations:** We accept the OIG's recommendations and submit the following: Memorandum from Mr. [REDACTED] dated August 17, 2001, District of Columbia Action Plan, Progress Report One, Progress Report Two, the application for a State Incentive Grant for Treatment of Persons with Co-occurring Substance-related and Mental Disorders, the "Charter And Consensus Document – Co-Occurring Psychiatric And Substance Disorders," and copies of all travel vouchers. See Attachment #1.

When I became Director, Mr. [REDACTED] came to me voicing his concerns and commitment to the issue of dual disorders. It was his hope that the Department would adopt that same commitment. Mr. [REDACTED] has been and continues to be passionate in this regard, given his own personal experiences. He has served on national committees and is the president of [REDACTED] a national organization, and is well known nationally for his volunteer work in the field of addiction and treatment.

In early August 2001, Mr. [REDACTED] came to me to inform of his intent to retire. At that time I asked him to prepare a survey on service delivery for consumers with co-occurring disorders. On August 21, 2001, I received a memorandum from Mr. [REDACTED] in which he accepted this assignment and in which he outlined the objectives, parameters and expectations for a survey to be conducted by January 2002. In order to properly complete this assignment, it required that he travel and conduct interviews. He was on the payroll during this period but was frequently out of the office.

On September 3, 2001, I received Progress Report One. As I indicated during our exit conference, this report became my working document and contains my written notations.

Mr. [REDACTED] retired on January 14, 2002. However, on February 8, 2002, I received his final report (referenced Progress Report Two). This report was the basis for going forward with a major initiative addressing co-occurring disorders, including the development of a charter agreement with the Department of Health Addiction, Prevention, and Recovery Administration (APRA). I was very satisfied with his work product. Finally, he continues to stay involved as he has attended some of our events and has offered his services as an advocate.

**Allegation 2: A DMH physician received \$75,000 in inappropriate overtime compensation and is permitted to repay the money, interest-free, at a rate of \$50 per pay period.**

**OIG Recommendations:** We recommend that the Director, Department of Mental Health, require supervisors to attend training concerning time and attendance approval procedures as outlined in the District Personnel Manual.

**DMH Response to Recommendations:** Once I became aware of this situation it was corrected immediately. We accept the OIG's recommendation and I have instructed the Deputy Director of the Office of Fiscal and Administrative Services to develop a training program for all supervisors, managers and time keepers covering time and attendance approval procedures as outlined in the District Personnel Manual. This training should occur no later than 90 days from the date of this response and attendance will be mandatory.

**Allegation 3: A DMH employee stayed home for a year and continued to receive a paycheck while on unauthorized administrative leave.**

**OIG Recommendations:**

- a. Coordinate with the OCP and the Office of the Corporation Counsel to review the current terms of employment for the employee in question, and take appropriate actions deemed necessary to ensure that the terms of the Settlement Agreement are fulfilled.
- b. Ensure that appropriate documentation and written approvals are obtained for all employees placed on paid administrative leave.

**DMH Response to Recommendations:** We accept the OIG's recommendations. The matter in question was initiated during the federal court-ordered receivership and was approved under the authority of the receiver. On January 14, 2002, the employee in question was returned to active duty status in the position of record, Purchasing Agent, within the Department's Contracts and Procurement Division located at 64 New York Avenue, N.E. Therefore, the terms of the Settlement Agreement have been met. Finally, the Department will include in its training for all supervisors, managers and time keepers the process for the approval of administrative leave as outlined in the District Personnel Manual and the Department's protocol which will be consistent with the DPM.

**Allegation 4: A DMH senior official is assigned a 4-day work schedule as flextime but the official does not work a 10-hour workday.**

**OIG Recommendation:** The Director, Department of Mental Health, ensure that all employees comply with D.C. Code and District Personnel Regulations.

**DMH Response to Recommendation:** We accept OIG's recommendation. The issue raised in the hotline complaint has been resolved. The employee in question (not a "senior official") no longer works for the Department. The Department shall include in the training for managers, supervisors and time keepers the District's policy as it relates

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July 8, 2003

to modified work schedules with particular emphasis on “flextime” and alternative work schedules (“compressed work week”) as outlined in the District Personnel Manual and the D.C. Code.

**Allegation 5: A DMH senior official took at least 60 hours of leave that was not administratively accrued.**

**OIG Recommendation:** The Director, Department of Mental Health, establish procedures for routine supervisory reviews of the T&A records, including approved leave, that are recorded by the time and attendance clerks in the official payroll records. The OIG indicated that this allegation was unsubstantiated.

**DMH Response to Recommendations:** Although this allegation was unsubstantiated, we accept OIG’s recommendation. We will include in our training for managers, supervisors and time keepers the Department’s procedure for validation of all time records as recommended by the OIG.

**Allegation 6: The Chief Executive Officer for Saint Elizabeths Hospital used government resources to sponsor a private July 4<sup>th</sup> party that excluded participation by DMH patients.**

**OIG Recommendation:** The Director, Department of Mental Health, use appropriate funds to reimburse the Medicaid and grant funds that we used to pay for the July 4, 2002 party.

**DMH Response to Recommendation:** We accept the OIG recommendation, in part, and have attached documentation to reflect appropriate billing. Specifically, a portion of the costs related to this event was incorrectly charged to Medicare, not Medicaid, and this discrepancy was corrected and local funds were charged. State Mental Health Block Grant funds are to be used for community purposes. The picnic was an event that invited DMH Community Services Agency consumers. The Block Grant specifically prohibits the use of funds to provide inpatient services and the St. Elizabeths Hospital inpatients were not in attendance. The charges billed to the block grant were an appropriate use of these funds. See Attachment #2.

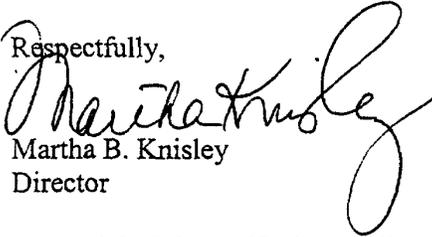
**Allegation 7: An employee was promoted from Grade DS-12 to Grade DS-15 in two and one-half years.**

**OIG Recommendation:** The Director, Department of Mental Health, establish procedures to ensure that personnel regulations are followed for promotions involving a waiver of time-in-grade requirement.

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**DMH Response to Recommendation:** We disagree with OIG's recommendations. In accordance with the District Personnel Manual, the Department has procedures related to the waiver of the time-in-grade requirement. The Standard Form 59 was completed along with the approval of the Department Director for the promotion. See Attachment #3. The Director, having worked directly with the employee in question, did not need additional justification.

Should you need additional information or clarification, please contact [REDACTED], Chief of Staff, at (202) 673-3538.

Respectfully,  
  
Martha B. Knisley  
Director

cc: Mr. John A. Koskinen, City Administrator  
Ms. Carolyn Graham, Deputy Mayor for Children, Youth, Families and Elders  
The Honorable Sandra (Sandy) Allen, Chair, Committee on Human Services

Attachments