

DOES Unemployment Compensation Can Improve Overtime Policy Compliance and Work Culture

July 3, 2024

A report by the Office of the District of Columbia Auditor



OVERTIME AUTHORIZATION REQUEST FORM

Please note, supervisory authorization **MUST** be obtained prior to overtime work being performed.

PROPOSED OVERTIME

Requested By:

Supervisor
Operations Manager

Date of Request

Employee's Name

Employee's Title

Administration/Division and Branch

Responsibility Center Number

Accepted Overtime Categories:

Emergency conditions
Special operations
Special events
Special projects
Holiday work
Other

****Please provide detailed justification for the overtime request below and sign.**

| Dates | From | To | Paid | Comp |
|-------|------|----|------|------|
| | | | | |
| | | | | |
| | | | | |

Justification:

Employee's Signature: _____ Date _____

Supervisor's Signature: _____ Date _____

Office to the Director's Signature: _____ Date _____

Agency Fiscal Officer: _____ Date _____

ACTUAL OVERTIME

| Funding Source: | Project# | Sub/Project# | Job # | Reference # |
|-----------------|-----------|---------------|-------|-------------|
| Capital | | | | |
| Federal Grant | | | | |
| Intra-District | Grant ID# | Buying Agency | Job # | Reference # |



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Executive Summary

Why ODCA Did This Audit

A whistleblower contacted ODCA to request an audit of overtime at the Office of Unemployment Compensation within the D.C. Department of Employment Services, alleging there was potential waste, fraud, and abuse. The COVID-19 pandemic resulted in a large influx of unemployment claims, which required employees within the DOES Office of Unemployment Compensation to work extended periods of overtime. This audit assesses overtime procedures used by the Office of Unemployment Compensation, whose overtime costs increased from \$115,991 in Fiscal Year 2019 to \$1.98 million in 2021.

What ODCA Found

- DOES Office of Unemployment Compensation employees were paid for overtime hours that were unapproved.
- DOES could not provide evidence that employees worked the overtime hours for which they were paid.
- A survey and interviews of DOES Unemployment Insurance employees indicate staff was confident in achieving DOES's mission with integrity, but expressed concerns with teamwork, recruitment/retention, and leadership.

What ODCA Recommends

1. DOES should use DCHR's PeopleSoft system to track and approve overtime requests electronically.
2. DOES should update its overtime policy to specify how the creation, storage, maintenance, and periodic review of overtime performance documentation should be handled.
3. The DOES Office of Unemployment Compensation Deputy Director should review ODCA's survey and interview results to identify strategies to address employee concerns and develop a plan to implement and communicate the strategies to all Unemployment Insurance staff.

Background

The mission of the D.C. Department of Employment Services (DOES) is “to connect District residents, job seekers, and employers to opportunities and resources that empower fair, safe, effective working communities.” Among many local and federal programs to support District residents, DOES is charged with managing the Unemployment Insurance (UI) program, which the U.S. Department of Labor describes as “a joint state-federal program that provides cash benefits to eligible workers... payments (benefits) are intended to provide temporary financial assistance to unemployed workers who are unemployed through no fault of their own.”¹

The D.C. Office of Unemployment Compensation within DOES is responsible for managing the District’s Unemployment Insurance program. The primary goal of the Unemployment Insurance (UI) program is to provide temporary and partial wage replacement to involuntarily unemployed workers. The UI benefits are funded by taxes paid by DC employers.² The administration of the program is funded by Federal unemployment taxes on employers.³

Nationwide, the COVID-19 pandemic limited or delayed the response capabilities of state workforce agencies (SWAs or “agencies”) that manage unemployment insurance. The federal Pandemic Response Accountability Committee (PRAC) published a 2021 report that found four issues challenged state agencies the committee reviewed: (1) surge in UI claims, (2) overwhelmed or reduced internal controls, (3) reports of fraud, and (4) IT issues.⁴

The District’s state workforce agency, DOES, was no exception.

- 1. Surge in UI claims.** At a Committee on Labor and Workforce Development Performance Oversight Hearing of DOES in March 2021, the Director of DOES testified that the agency experienced a 372% increase in UI claims during 2020 and noted the UI team managed seven new benefit programs that were constantly being modified at the federal level.
- 2. Overwhelmed or reduced internal controls.** Oversight testimony and news stories have indicated DOES was overwhelmed. For example, Councilmembers expressed concerns regarding high volumes of constituent complaints about DOES’s implementation of the UI program. The Washington City Paper published an article stating DOES “[failed] lots of laid off workers during the pandemic” and Director “Morris-Hughes said the agency received over 800,000 calls since the beginning of the pandemic.”⁵

1 [“About Unemployment Insurance,”](#) U.S. Department of Labor Employment and Training Administration, oui.doleta.gov, created March 29, 2004.

2 [“Frequently Asked Questions,”](#) District of Columbia Office of Unemployment Compensation, unemployment.dc.gov.

3 [“Funding the State Administration of Unemployment Compensation \(UC\) Benefits,”](#) Congressional Research Service, June 2, 2023.

4 [Key Insights: State Pandemic Unemployment Insurance Programs,](#) Pandemic Response Accountability Committee.

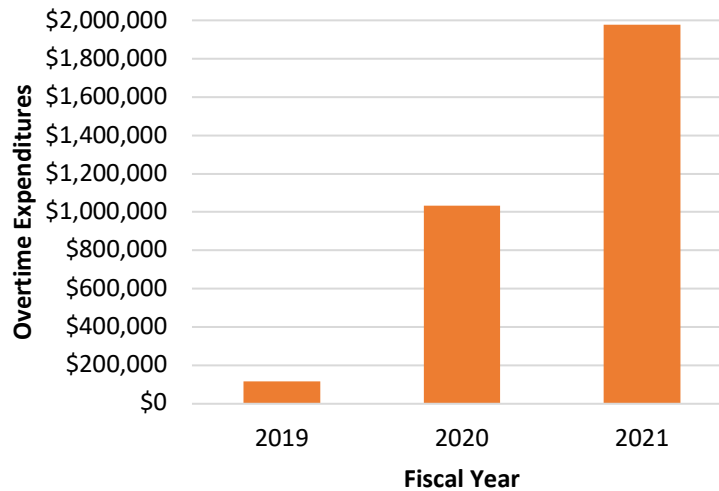
5 [“Department of Employment Services Makes Changes to Its System,”](#) Amanda Michelle Gomez, *Washington City Paper* February 9, 2021.

3. Reports of fraud. *The Washington Post* reported that the “substantial rise in claims has also brought about 13,000 reports of fraud from workers who say unemployment claims were filed in their names using false or stolen information.”⁶

4. IT issues. The D.C. Committee on Labor and Workforce Development echoed concerns from constituents about the UI claims system during DOES’s March 2021 oversight hearing. *DCist* reported that the vendor of the system, who had served in this capacity since 1999, did not meet with the D.C. Council when invited.⁷ On February 8, 2021, Mayor Bowser announced an \$11 million investment to improve the UI system and fund additional staff.⁸

The COVID-19 pandemic caused a large influx of unemployment claims, which required employees within the Office of Unemployment Compensation to work overtime. Overtime generally refers to the amount of time an employee works beyond their normal scheduled tour of duty.⁹ DOES overtime policy defines overtime, the need for overtime, and the payment of overtime. Figure 1 shows that overtime expenditures by the DOES Office of Unemployment Compensation have increased from \$115,991 in Fiscal Year (FY) 2019 to \$1,979,435 in FY 2021, with a 92% increase from FY 2020 to FY 2021.

Figure 1: Office of Unemployment Compensation Overtime Expenditures for FY19–21



Source: ODCA analysis of data from SOAR

⁶ “D.C. received at least 13,000 reports of fraudulent unemployment claims during pandemic,” Michael Brice-Saddler, *The Washington Post*, October 29, 2021.

⁷ “D.C. Councilmember Calls For ‘Complete Overhaul’ Of Unemployment Insurance System,” Elliot C. Williams, *DCist*, May 12, 2021.

⁸ “Mayor Bowser Announces \$11 Million Investment to Improve District’s Unemployment Insurance System and Deliver Additional Benefits,” Executive Office of the Mayor, February 8, 2021.

⁹ See Title 6 DCMR § B1138 which includes the following in the definition of overtime: “At the discretion of the agency head or his or her designee, entitlement to overtime may be extended to any non-union Career Service employee at the CS-14 level or below, or equivalent, for hours of work authorized in excess of eight (8) hours in a pay status in a workday or in excess of forty (40) hours in a pay status in a workweek.”

Objective, Scope, and Methodology

Objectives

The objectives of this audit were to:

1. Determine if the authorization and supervision of overtime at the DOES Office of Unemployment Compensation complied with DOES internal policies.
2. Determine if management promoted a culture founded on the values of integrity, customer service, and team spirit.

Scope

The audit scope covered the DOES Office of Unemployment Compensation from October 1, 2019, to December 31, 2021, though due to the complexity of the data, some of the analyses in the report utilized a reduced time period (July 2020 to December 2020 and July 2021 to December 2021).

Methodology

To determine if the authorization and supervision of overtime at the DOES Office of Unemployment Compensation complied with DOES internal policies, ODCA did 16 interviews with representatives from DOES, DCHR, the D.C. Office of the Inspector General, and Council of the District of Columbia (Council) to better understand DOES policy and procedures and identify risks related to overtime or unemployment insurance.

To determine if all overtime authorization forms had the required justifications, approval signatures, and were approved before the date the work was performed, ODCA reviewed a sample of overtime authorization forms for two time periods: July 2020 through December 2020 and July 2021 through December 2021. DOES provided 2,205 overtime authorization forms, known as DOES Form 715, contained in 58 PDFs. The audit team reviewed and analyzed 763 forms, or 35% of forms received.

ODCA requested all Office of Unemployment Compensation overtime expenditure data from the District's timekeeping system, PeopleSoft, from a sample period of July 2020 through December 2020 and July 2021 through December 2021 to compare against approval information from the same time period. DOES provided data on just under \$2 million in overtime expenditures from the Unemployment Insurance program paid to 189 employees. ODCA randomly selected 20 Office of Unemployment Compensation employees who received overtime, or 10.6% of all OUC employees who received overtime, and reviewed all authorization forms and hours paid for these 20 employees from July 2020 to December 2020 and July 2021 to December 2021.

To determine if supervisors maintained accurate records concerning the overtime hours worked by employees, ODCA randomly sampled 22 Office of Unemployment Compensation employees. This sample included all seven Office of Unemployment Compensation supervisors who worked during the scope and were still employed at DOES during the audit. We interviewed all seven supervisors regarding the use and supervision of overtime. Then, we reviewed documentation to verify overtime work was performed as approved.

In order to determine if management had promoted a culture founded on the values of integrity, customer service, and team spirit, we created and distributed a survey to 104 DOES staff who worked in Office of Unemployment Compensation between October 1, 2019, and December 31, 2021. We also randomly selected and interviewed 24 DOES staff out of a list of 95 Office of Unemployment Compensation employees who were non-managerial Unemployment Insurance staff as of December 1, 2021. Finally, to check the DOES Office of Unemployment Compensation turnover rate, we compared turnover rates between 98 District agencies, DOES, and DOES employees funded from an Unemployment Insurance-related financial code.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

DOES Office of Unemployment Compensation employees were paid for overtime hours that were unapproved.

DOES’s overtime policy mandates an authorization request form (DOES Form 715) to justify the need for overtime which must be signed by the employee, their supervisor, the Deputy Director or Director, and the Agency Fiscal Officer.¹⁰

DOES policy requires the form to be approved prior to overtime being performed but waives this requirement in the event of an emergency. A similar requirement in the District’s Personnel Manual states “Overtime must be officially ordered and approved in advance” but specifies an exception for discretionary overtime that is “necessitated by emergency.”¹¹

Twelve out of 20, or 60% of randomly selected DOES Unemployment Insurance employees were paid for unapproved overtime. Of the 3,290 hours of overtime paid to 20 employees in two six-month periods, DOES did not provide authorization request forms for 858 hours, or 26% of the overtime hours paid to those employees.

Figure 2: Unapproved Overtime Hours from 20 Randomly Selected DOES UI Employees

| Employee | July 2020 to December 2020 | | | July 2021 to December 2021 | | | Total Unapproved Hours |
|----------|----------------------------|------------|------------------|----------------------------|------------|------------------|------------------------|
| | Hours Approved | Hours Paid | Unapproved Hours | Hours Approved | Hours Paid | Unapproved Hours | |
| 1 | 106 | 126 | 20 | 0 | 0 | — | 20 |
| 2 | 313 | 154 | — | 47 | 67 | 20 | 20 |
| 3 | 171 | 478 | 307 | 0 | 33 | 33 | 340 |
| 4 | 61 | 2 | — | 0 | 0 | — | 0 |
| 5 | 57 | 40 | — | 68 | 36 | — | 0 |
| 6 | 39 | 39 | — | 0 | 0 | — | 0 |
| 7 | 17 | 7 | — | 63 | 42 | — | 0 |
| 8 | 152 | 117 | — | 0 | 0 | — | 0 |

¹⁰ DOES Policy 700.10-5 *Administration and Use of Overtime* dated November 4, 2011, and DOES Policy 2021-12 *Administration and Use of Overtime*, dated December 1, 2021.

¹¹ “District Personnel Manual Chapters 11 and 12, *Issuance I-2021-10, Overtime*,” E-DPM, effective January 7, 2021. The same exception is identified in “*Issuance I-2020-2, Overtime*” effective January 1, 2020, through January 7, 2021.

| Employee | July 2020 to December 2020 | | | July 2021 to December 2021 | | | Total Unapproved Hours |
|--------------|----------------------------|--------------|------------------|----------------------------|--------------|------------------|------------------------|
| | Hours Approved | Hours Paid | Unapproved Hours | Hours Approved | Hours Paid | Unapproved Hours | |
| 9 | 35 | 33 | — | 214 | 227 | 13 | 13 |
| 10 | 181 | 177 | — | 30 | 30 | — | 0 |
| 11 | 0 | 0 | — | 438 | 603 | 165 | 165 |
| 12 | 0 | 28 | 28 | 14 | 20 | 6 | 34 |
| 13 | 0 | 3 | 3 | 0 | 0 | — | 3 |
| 14 | 0 | 58 | 58 | 192 | 191 | — | 58 |
| 15 | 48 | 26 | — | 0 | 3 | 3 | 3 |
| 16 | 0 | 0 | — | 17 | 16 | — | 0 |
| 17 | 0 | 0 | — | 0 | 111 | 111 | 111 |
| 18* | 0 | 0 | — | 356 | 374 | 18 | 18 |
| 19** | 0 | 0 | — | 0 | 0 | — | 0 |
| 20 | 176 | 249 | 73 | 0 | 0 | — | 73 |
| Total | 1,356 | 1,537 | 489 | 1,439 | 1,753 | 369 | 858 |

*Employee 18 had approval forms for 356 hours, however, these approvals were not fully signed until 2022.

** Employee 19 had 0 hours approved or recorded but did receive an overtime payment. When ODCA inquired regarding instances where an employee was paid despite 0 recorded hours, DOES stated that these instances were adjustments after DCHR’s investigation in 2021.¹²

Source: ODCA analysis

Of the forms reviewed by ODCA, 100% had a justification for the need for overtime. The most frequent justification type—85% of overtime authorization request forms—was “to process claims related to the COVID-19 reduction in the labor force.”

DOES ensured that nearly all, or 99%, of Overtime Authorization Request Forms reviewed had the required signatures in 2020. In 2021, forms were also signed at high rates (100% signed by employees, 99% by supervisors, and 94% by the Director/Deputy Director), but only 0.3% were signed by the Agency Fiscal Officer. DOES informed ODCA verbally that they had removed the AFO from the process, but the overtime policy was not updated to reflect this change.

12 In June 2021, Councilmember Silverman’s office asked DCHR to investigate overtime at the DOES Office of Unemployment Compensation. DCHR’s investigation stated that “due to internal overtime approval delays, some overtime hours were not added until several weeks later. This should not have occurred, and appropriate measures are being taken to ensure this does not reoccur.”

Unapproved overtime occurred because DOES used a manual process to approve overtime that was overwhelmed by the increase of unemployment insurance claims during the COVID-19 pandemic. The required authorization request form (see Figure 3) was completed by each employee for each week of overtime they intended to perform and then it was routed between the three required reviewers until it was fully signed and returned as an email to the employee’s supervisor.

Figure 3: DOES Form 715

OVERTIME AUTHORIZATION REQUEST FORM
Please note, supervisory authorization **MUST** be obtained prior to overtime work being performed.

PROPOSED OVERTIME

Requested By:
Supervisor
Operations Manager

Accepted Overtime Categories: ***Please provide detailed justification for the overtime request below and sign.*
Emergency conditions
Special operations
Special events
Special projects
Holiday work
Other

| Dates | From | To | Paid | Comp |
|-------|------|----|------|------|
| | | | | |
| | | | | |

Date of Request

Employee's Name

Employee's Title

Administration/Division and Branch

Responsibility Center Number

Justification:

Employee's Signature: _____ **Date** _____

Supervisor's Signature: _____ **Date** _____

Office to the Director's Signature: _____ **Date** _____

Agency Fiscal Officer: _____ **Date** _____

ACTUAL OVERTIME

| Funding Source: | Project# | Sub/Project# | Job # | Reference # |
|-----------------|-----------|---------------|-------|-------------|
| Capital | | | | |
| Federal Grant | | | | |
| Intra-District | Grant ID# | Buying Agency | Job # | Reference # |

Source: DOES

While not a violation of policy due to the COVID-19 pandemic, 95% of 763 overtime authorization request forms reviewed were approved after the hours were already worked. As seen in Figure 4, on average it took 39 calendar days for a form to be signed by all entities in 2020, with an increase to 46 days in 2021. The most significant gap in approval signatures was between the Supervisor and Deputy Director or Director. On average in 2020, 22 days elapsed between the Supervisor and Deputy Director’s or Director’s approval. In 2021, the average number of days increased to 42.

Figure 4: Average Number of Days to Obtain the Required Approvals on Overtime Authorization Request Forms

| Required Signatures | Days Between Signatures in 2020 | Days Between Signatures in 2021 |
|--|---------------------------------|---------------------------------|
| Employee’s signature to Supervisor’s signature | 10 | 4 |
| Supervisor’s signature to Deputy Director/Director’s signature | 22 | 42 |
| Deputy Director/Director’s signature to AFO’s signature | 7 | n/a* |
| Total | 39 | 46 |

*AFO did not sign these forms in 2021

Source: ODCA analysis

As a result of approving overtime after the work was performed, while permissible during an emergency such as the COVID-19 pandemic, overtime hours often were not recorded in the time period they were worked. Employees recorded overtime in large batches in subsequent time periods in PeopleSoft, the District’s personnel time management system. Supervisors approved overtime hours that were performed several weeks prior. According to DCHR, DOES was instructed to approve overtime in the pay period it was worked, but DCHR stopped short of saying the practice was non-compliant with District policy. Missing authorization forms and a significant delay in approvals provided an opportunity for fraud to occur by employees who may have been paid overtime for work that was not performed or authorized.

In 2018, the Office of the D.C. Auditor (ODCA) published an audit examining overtime at four agencies and found that each District agency had their own process for overtime request approvals. The audit recommended that DCHR develop an electronic overtime request and approval system through PeopleSoft, the District’s personnel time management system. DCHR implemented our recommendation in 2021. An overtime issuance from DCHR effective January 7, 2021, states that, “Employees may submit overtime requests in PeopleSoft...Once an employee submits an overtime request, the employee’s supervisor and, if required by PeopleSoft any additional designated agency personnel, must review and approve the request in PeopleSoft for the employee to be authorized to receive overtime pay.”

Recommendation

1. DOES should use DCHR’s PeopleSoft system to track and approve overtime requests electronically.

DOES could not provide evidence that employees worked the overtime hours for which they were paid.

DOES’s overtime policy states that “[t]he First-Line Supervisor shall... keep accurate records concerning the overtime hours worked by his/her employees.”

DOES was unable to provide documentation for work performed for overtime hours paid for 68% (15 out of 22) randomly selected employees.

The supervisors stated overtime performance records were unavailable for three employees and gave the following explanations:

- One supervisor stated that the documentation would have been maintained by the supervisor who was assigned to be “on duty” for the day the work was performed, and that supervisor may have come from a different department of DOES.
- A second supervisor stated that, though they were the employee’s listed supervisor, the employee did not actually directly report to them and therefore the records would have been sent to a supervisor who was no longer at DOES.
- A third supervisor stated they were unable to locate the records.

DOES did not provide any response for 12 employees.

- Ten of the selected employees were still working at DOES but their direct supervisor was no longer employed at DOES or on extended medical leave.¹³ For these reasons, documentation was requested from the DOES Deputy Director, who did not provide documentation to ODCA.
- For the other two, the employee’s direct supervisor did not respond to repeated requests for documentation from ODCA.

DOES was able to provide some evidence that work was performed for 32% (7 out of 22) of randomly selected employees, but it was difficult to determine what work was performed on the days overtime was paid. Although ODCA attempted to compare the support received for overtime paid, the documents provided could not be fully reconciled.

Two examples of records DOES provided to corroborate paid hours are provided in Figure 5. Employee A is highlighted to demonstrate lack of consistency in dates, Employee B is highlighted to demonstrate the lack of consistency in total hours.

¹³ There was one employee whose supervisor was still employed, but on extended leave, so ODCA considered this supervisor absent for the purposes of this audit.

Figure 5: Reconciliation of Overtime Approvals, Record of Work Performed, and Overtime Paid

| | Overtime Approvals | Record of Work Performed | Overtime Paid |
|------------|---|--|------------------------------|
| Employee A | Only approved to work 14 hours in August 2021 (approval received September 2021) | Clock in/out emails and productivity reports show at least 8 hours worked in June 2021 | 20 hours in July 2021 |
| Employee B | Approved to work 48 hours in July 2021 (approval received July 2021) | Support shows 55 hours and 41 minutes of edits made in the claim processing system outside of normal business hours in July 2021. | 80 hours in July 2021 |

Source: ODCA analysis of documentation provided by DOES

Figure 6 shows a screenshot of one of the productivity reports generated by Employee A with the name and social security number redacted for privacy. The report shows that on June 22, the employee worked overtime from 5–7 pm but the quantity of work performed is uncertain. Two claimants were identified by name, but otherwise the report was abbreviated, stating the employee simply worked on a “bucket of claims.”

Figure 6: Employee A’s productivity report for June 22, 2021

Name: **Employee A** 6.22.2021 COVID-19 Overtime Productivity Tracking 5:00pm - 7:00pm

| Date | CLAIMANT'S NAME | LAST 4 SSN | Activity | Status |
|-----------|-----------------|------------|--|--|
| 6.22.2021 | Redacted | Redacted | | clmt emailed missing week cert to 6.19.21 for processing |
| | Redacted | Redacted | | received claim for final determination clmt is eligible for back weeks 3.21.20-4.11.20 emailed clmt weekly certs to complete sign/date and return |
| | | | started working on my bucket of claims to complete for redacted that is due COB tomorrow | |

Source: DOES

For Employee B, the data received only indicates that an action occurred in the claims processing system at a particular time. It is unclear how much work was performed by this employee.

The inability of DOES supervisors to provide support for overtime hours worked occurred because DOES’s overtime policy did not specify the required records supervisors need to keep, where they should be

maintained, or for how long they should be maintained. The policy’s vagueness and supervisor turnover confounded DOES’s ability to produce support for the overtime paid.

ODCA could not fully establish a timeline that connected overtime authorizations, work performed, and payments. As a result, ODCA was unable to determine if employees worked the hours for which they were paid overtime.

Recommendation

- DOES should update its overtime policy to specify how the creation, storage, maintenance, and periodic review of overtime performance documentation should be handled.

A survey and interviews of DOES Unemployment Insurance employees indicate staff was confident in achieving DOES’s mission with integrity, but expressed concerns with teamwork, recruitment/retention, and leadership.

The first line of DOES’s overtime policy (see Figure 7) states, “To enhance mission performance, DOES is committed to promoting a culture founded on the values of integrity, customer service, and team spirit.”

Figure 7: Excerpt of DOES’s overtime policy

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Employment Services



| DOES Policy No. | Subject | Date |
|-----------------|---|-------------------------|
| 2021-12 | <i>Administration and Use of Overtime</i> | <i>December 1, 2021</i> |

To enhance mission performance, DOES is committed to promoting a culture founded on the values of integrity, customer service, and team spirit.

- PURPOSE:** This policy provides DOES policy and procedures for approval and use of overtime by DOES employees.

Source: DOES

Additionally, the U.S. Government Accountability Office outlines five components for effective internal control, or processes used by the management of an organization to help an entity achieve its objectives. One of the principles of a strong control environment is that “management should demonstrate a

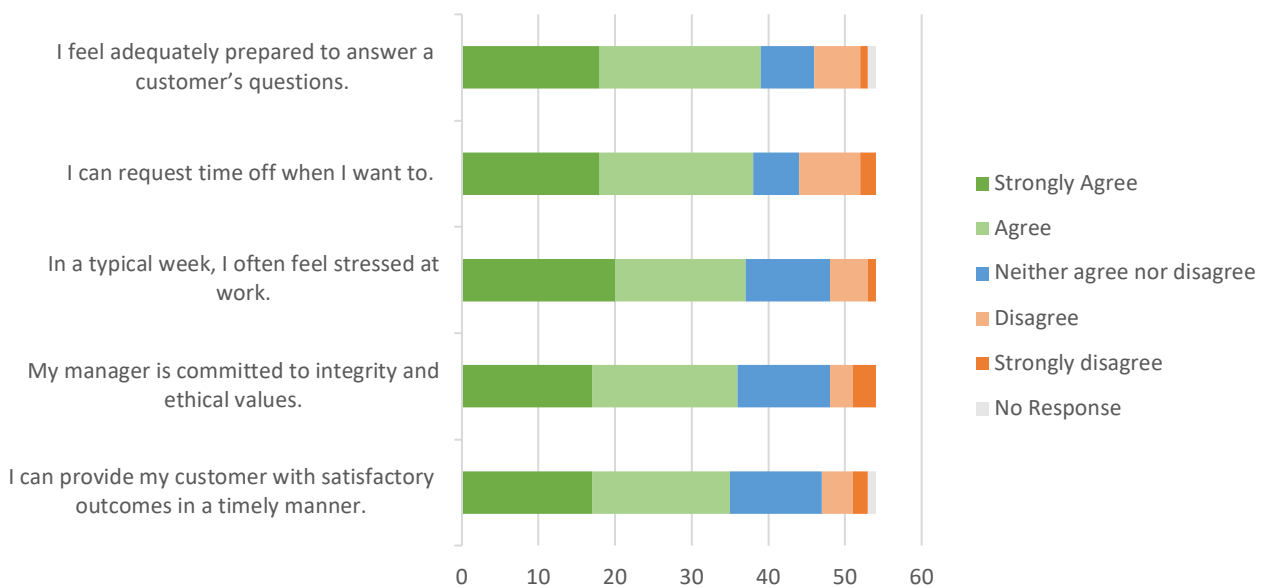
commitment to recruit, develop, and retain competent individuals.”¹⁴

In order to evaluate DOES’s work culture, ODCA conducted a survey and interviews of DOES employees who worked on unemployment insurance during the audit scope and were still employed at DOES during the audit. The survey was sent to 104 employees and produced 54 responses, resulting in a 52% response rate. We also randomly selected and completed 24 individual interviews of non-supervisory DOES employees.

Overall, the survey and interview results were neither wholly positive nor negative. The results indicate staff members were confident in achieving DOES’s mission with integrity, but also expressed concerns with teamwork, recruitment/retention, and leadership. Summary graphics of all survey questions and aggregate responses are available in Appendix A.

The following statements were the most agreed or strongly agreed with by survey respondents, indicating respondents felt confident in achieving the agency mission.

Figure 8: Top 5 Most Agreed Upon Survey Statements

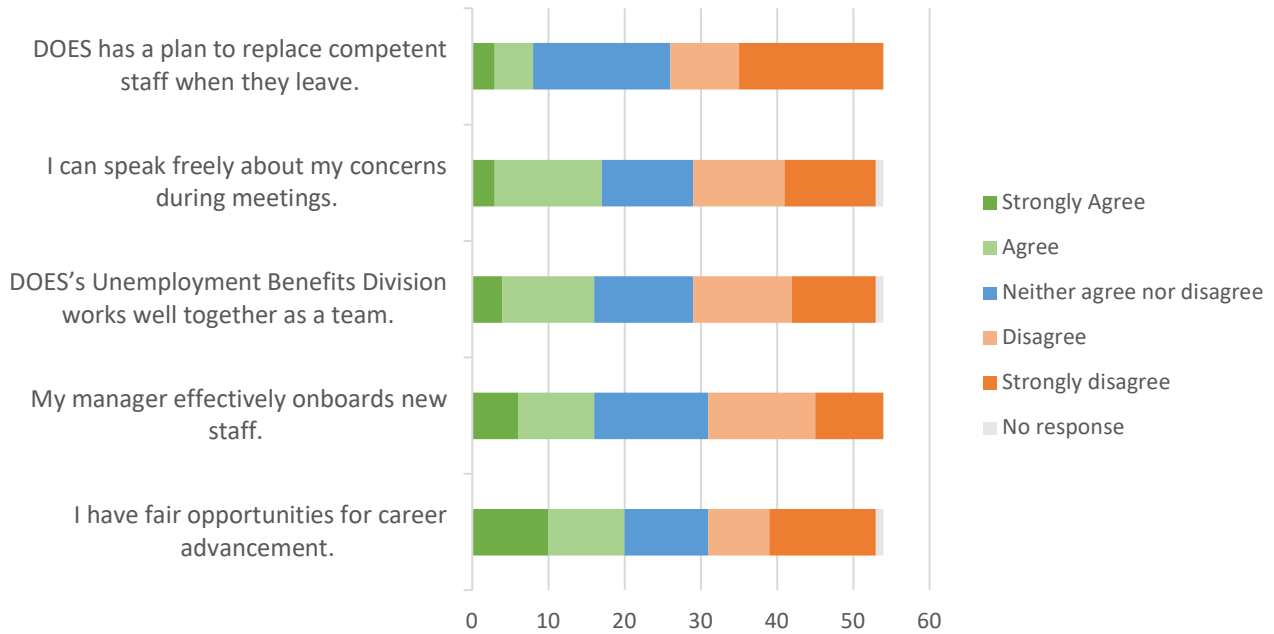


Source: ODCA analysis

¹⁴ [Standards for Internal Control in the Federal Government](#), U.S. Government Accountability Office, September 2014, pg. 36.

The following statements were the most disagreed or strongly disagreed upon by survey respondents, indicating that respondents were concerned about recruitment and teamwork.

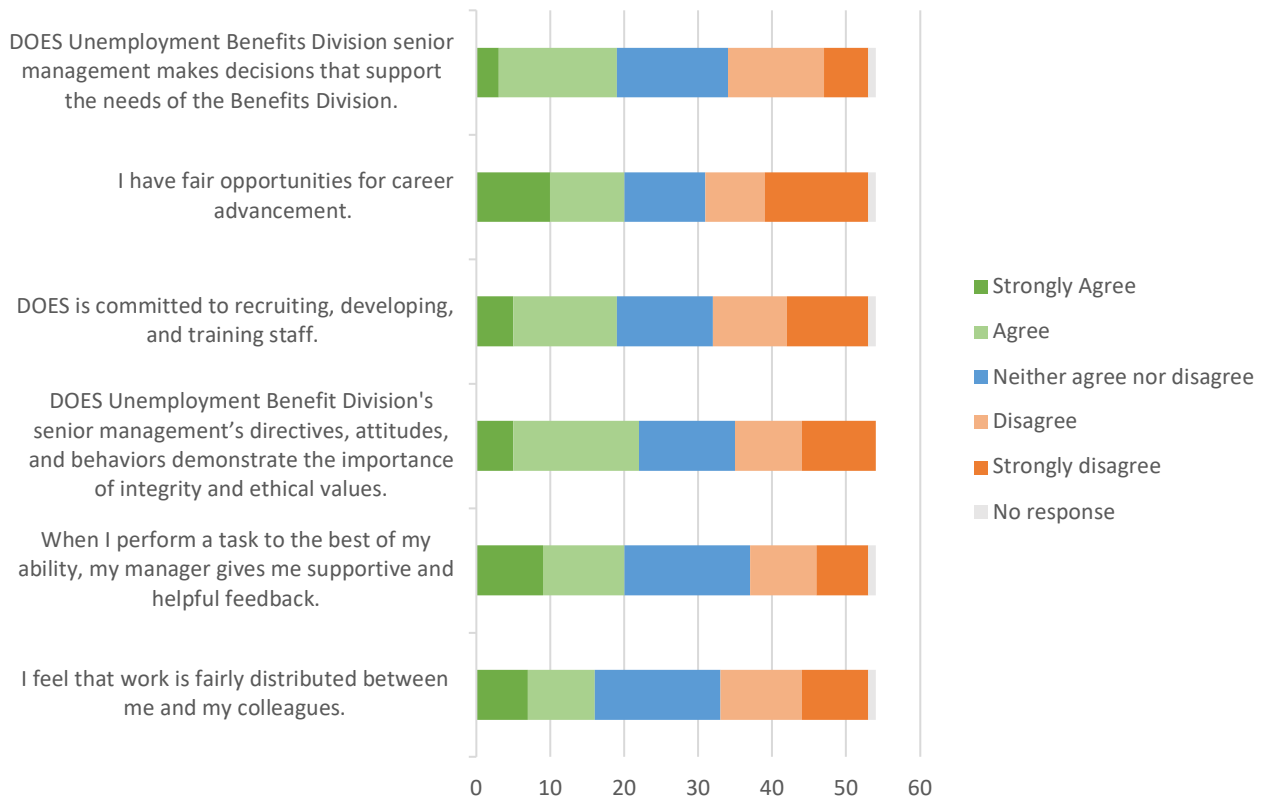
Figure 9: Top 5 Most Disagreed Upon Survey Statements



Source: ODCA analysis

The following statements were the most split between agree and disagree by survey respondents, indicating respondents had uncertainty around leadership and retention.

Figure 10: Top 5 Most Split Responses



Source: ODCA analysis

In interviews with 24 randomly selected DOES UI employees, perceptions on team spirit were evenly split. Although we did not ask about differences between teams, six interviewees mentioned that they had observed differences between teams.

**Figure 11: Summary of Interview Responses to the Question,
“Do you think DOES has team spirit? Why or why not?”**

| Response Type | Count | Quotes |
|-----------------|-------|---|
| Positive | | <p>“I think so. We had frequent team meetings.”</p> <p>“We have created our own team spirit.”</p> <p>“I make sure we have good team spirit... we are all committed.”</p> |
| Neutral | 10 | <p>“Mostly. During chaotic moments it gets tense, but in between those moments, yes.”</p> <p>“We do feel very team-like but... there is a lot of territory over skills and ideas.”</p> <p>“I’m not saying team spirit is low, but it would be better if we had a more positive environment. 25% have team spirit, and the rest are whatever.”</p> |
| Negative | 7 | <p>“I wouldn’t use the word ‘team’ to describe anything here... I can’t go to someone for something I need or go to someone when I have a problem, so how is that a team?”</p> <p>“When I first came it was better. Now everyone’s spirit is down, morale is low. I think it might have to do with money, workload, and management.”</p> <p>“No, absolutely not... Its combative and divisive.”</p> |

Source: ODCA analysis

When asked if DOES fostered good customer service, more responses were negative than positive.

**Figure 12: Summary of Interview Responses to the Question,
“Do you think DOES has fostered good customer service? Why or why not?”**

| Response Type | Count | Quotes |
|---|-------|---|
| Positive | 4 | <ul style="list-style-type: none"> ■ “Yes, I think we do. We try very hard to do this because we are the face of the organization.” |
| | | <ul style="list-style-type: none"> ■ “Communication between the team is what keeps it going, keeps it good.” |
| | | <ul style="list-style-type: none"> ■ “I think my team and I do a great job.” |
| Responded about their personal customer service | 6 | <ul style="list-style-type: none"> ■ “I was able to push my personal wants and needs out of the situation to make sure that regardless of how nasty, angry, irate, or rude they were to me, I just wanted to get it done. I knew why they were upset, I just wanted to make sure was able to service their needs.” |
| | | <ul style="list-style-type: none"> ■ “I had one client once that said they would call in and give a good review to my supervisor. Sometimes they just want to speak to me.” |
| | | <ul style="list-style-type: none"> ■ “Positive attitude, treating [claimants] with respect. Kindness, courtesy, listening to them. [Claimants] have a lot going on and want to vent.” |
| Neutral/ Nonresponse | 5 | <ul style="list-style-type: none"> ■ “Sometimes people are good with customer service and sometimes they’re not so good.” |
| Negative | 9 | <ul style="list-style-type: none"> ■ “The volume was so much and there were too few people.” |
| | | <ul style="list-style-type: none"> ■ “Intercommunication between departments needs to improve because we don’t have that right now and it takes a long time for a customer to get anything... Having a point of contact in each department would help.” |
| | | <ul style="list-style-type: none"> ■ “I don’t think new hires are trained properly, it seems like they have to pick up their phone and guess what to do. Departments don’t know what each other does.” |

Source: ODCA analysis

ODCA did not provide a definition of integrity to the employees, as DOES did not define integrity in their written commitment to “integrity, customer service, and team spirit.” Interviews with UI staff indicated that the definition of integrity varied from person to person, but overall, responses leaned positive.

Figure 13: Summary of Interview Responses to the Question, “Do you think the Department of Employment Services Unemployment Insurance Benefits division has promoted a culture of integrity? Why or why not?”

| Response Type | Count | Quotes |
|---|-------|--|
| Positive | 12 | <p>“DOES does maintain integrity. They tell us how to operate how to report to managers/supervisors and if we don’t abide by that, there are consequences.”</p> <p>“There is a sense of integrity at work. Effort, desire to do things correctly above board.”</p> <p>“Integrity is one of our number one goals. It is commented on a lot and brought up a lot in meetings.”</p> |
| Responded about their personal integrity | 5 | <p>“I think among individuals there is a culture of integrity.”</p> <p>“Integrity to me is taking pride in my work and knowing it matters. I just do my job; I don’t know about others or DOES as a whole.”</p> <p>“It is important to follow the rules and give people correct advice and answers to their questions. I try to do that all the time.”</p> |
| Neutral/ Nonresponse | 1 | <p>“Yes and no.”</p> |
| Negative | 6 | <p>“With policy and procedures, it is a lot of verbal commands, but no written commands.”</p> <p>“I don’t know if the unemployment team has promoted a culture of integrity. I’m not sure if managers or supervisors or HR is doing anything to retain people.”</p> <p>“I think there is a culture of loyalty which is different than integrity.”</p> |

Source: ODCA analysis

Finally, when asked to broadly describe the work culture at DOES, half of the interviewees responded negatively.

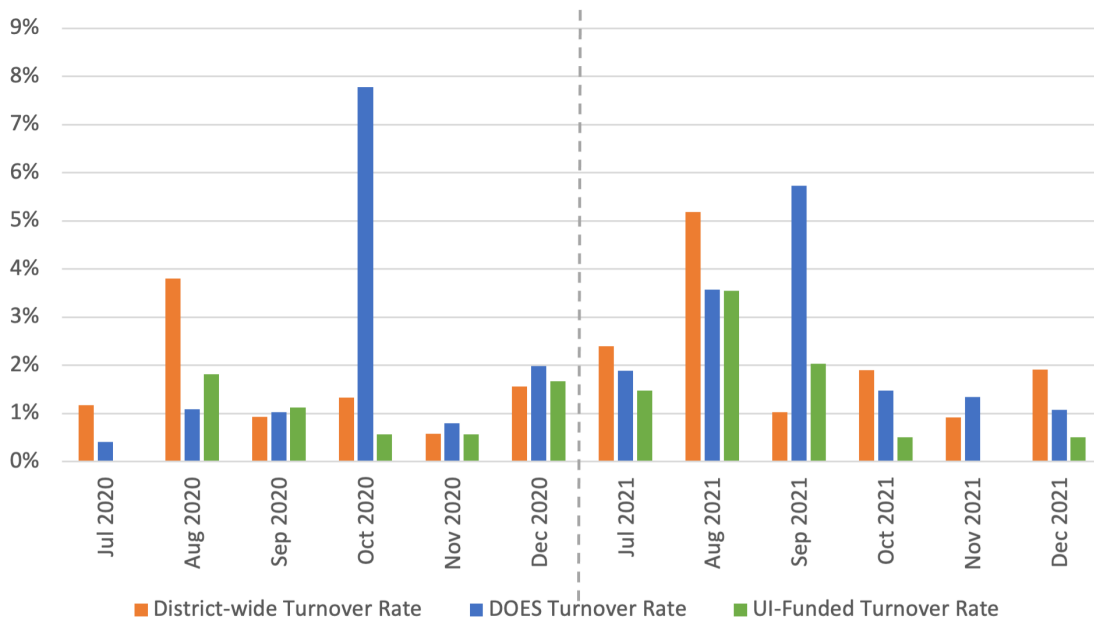
Figure 14: Summary of Interview Responses to the Question, "Overall, how would you describe the work culture at DOES?"

| Response Type | Count | Key Words or Quotes |
|---------------------------|-------|--|
| Positive | 6 | <ul style="list-style-type: none"> Enjoyable, open, honest, continuous, pleasant |
| Neutral/ Nonresponsive | 6 | <ul style="list-style-type: none"> "Everyone is well meaning. It needs to move to a more modern era." "I don't think I had the same experience as everyone else. I've been supported, I've been able to grow." "I cannot say what I want to say." |
| Negative | 12 | <ul style="list-style-type: none"> Hectic, bittersweet, dysfunctional, archaic, stressful, punitive, disrespectful, hateful, hectic, toxic |

Source: ODCA analysis

For other topics that came up during interviews, 16 respondents said there was high turnover. However, when turnover of DOES employees funded by unemployment insurance was compared against the rest of DOES and 98 District agencies, it was not unusually high compared to the rest of DOES and the District.

Figure 15: DOES Office of Unemployment Compensation did not have higher turnover rates compared to the rest of DOES and other District agencies in Second Half of 2020 or 2021



Source: District-wide turnover rates provided by DCHR, DOES turnover rates calculated by ODCA

Overall, the responses provided by employees during the survey and interviews showed a mix of things

management is doing well and things management can improve to better promote a culture founded on the values of integrity, customer service, and team spirit.

In an article on how to build team cohesion published by Forbes Coaches Council, the authors write that, “In business, as in any venture, team members who don’t trust each other are destined for setbacks and failure. It’s important from the outset for business leaders to take steps to build trust and cooperation among their employees to maximize productivity and team satisfaction.” Similarly, any actions taken by DOES to remedy the concerns identified by staff through surveys and interviews is an opportunity to build trust and cooperation that will improve DOES’s ability to meet their mission.

Recommendation

3. The DOES Office of Unemployment Compensation Deputy Director should review ODCA’s survey and interview results to identify strategies to address employee concerns and develop a plan to implement and communicate the strategies to all Unemployment Insurance staff.

Conclusion

DOES violated their overtime policy by paying employees for overtime work that was never approved. Additionally, DOES could not provide evidence that employees worked the overtime hours for which they were paid. Missing authorization forms and a significant delay in approvals provided an opportunity for fraud to occur by employees who may have been paid overtime for work that was not performed or authorized. ODCA believes that utilizing the electronic overtime request and approval system built into PeopleSoft, the District's personnel time management system, would help mitigate the risk of overtime mismanagement.

This audit took the review of overtime one step further by assessing the control environment and work culture of the DOES Office of Unemployment Compensation. Though the results of our work culture assessment were split, ODCA recommends DOES management review the insights and concerns shared by DOES staff and that concerns are welcomed by DOES as an opportunity to develop and support their dedicated workforce.

Summary of Report Recommendations

Our audit identified three recommendations that could improve operations at the Department of Employment Services.

| Findings | Recommendations |
|--|---|
| DOES Office of Unemployment Compensation employees were paid for overtime hours that were unapproved. | 1. DOES should use DCHR's PeopleSoft system to track and approve overtime requests electronically. |
| DOES could not provide evidence that employees worked the overtime hours for which they were paid. | 2. DOES should update its overtime policy to specify how the creation, storage, maintenance, and periodic review of overtime performance documentation should be handled. |
| A survey and interviews of DOES Unemployment Insurance employees indicate staff was confident in achieving DOES's mission with integrity, but expressed concerns with teamwork, recruitment/retention, and leadership. | 3. The DOES Office of Unemployment Compensation Deputy Director should review ODCA's survey and interview results to identify strategies to address employee concerns and develop a plan to implement and communicate the strategies to all Unemployment Insurance staff. |

Agency Comments

On May 2, 2024, we sent a draft copy of this report to the Department of Employment Services (DOES) for review and written comment. DOES responded with comments on June 3, 2024. Agency comments are included here in their entirety. DOES also provided three email attachments (a revised section of overtime policy, an overtime training slide deck, and a list of acknowledgments that the revised policy was received) that are not included.

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Employment Services



MURIEL BOWSER
MAYOR

DR. UNIQUE MORRIS-HUGHES
DIRECTOR

June 3, 2024

Ms. Kathleen Patterson
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, Northwest
Suite 900
Washington DC 20005

Re: Draft Report entitled, “DOES Unemployment Compensation Can Improve Overtime Policy Compliance and Work Culture”

Dear Ms. Patterson:

This correspondence serves as the Department of Employment Services (DOES) response to the Office of the District of Columbia Auditor (ODCA) draft report, *DOES Unemployment Compensation Can Improve Overtime Policy Compliance and Work Culture* (Draft Report), dated September 28, 2018.

The scope of the ODCA audit was from October 1, 2019, to December 31, 2021, which includes the COVID-19 public emergency. During that time, DOES experienced an unprecedented increase in the number of unemployment claims filed and calls received regarding unemployment claims which required significant overtime. DOES’ responses to ODCA’s recommendations reflect the unprecedented need for overtime during the pandemic.

DOES’ Responses to Recommendations

Recommendation #1

DOES should use DCHR’s PeopleSoft system to track and approve overtime requests electronically.

DOES Response:

DOES has a standard overtime procedure per the District DPM, however, due to the unprecedented nature of the COVID-19 pandemic, the pre-approval of overtime was suspended, and all staff were encouraged to work as long as they could to assist with processing the highest volume of unemployment claims.

The proper management and monitoring of time and labor activities of subordinate employees is critical to the efficient operation of DOES. Approving overtime requests includes an examination of monthly overtime utilization, budget variances, and any potential spending pressures that may result from overtime usage. To minimize problems with overtime, DOES' overtime policy employs a 3-tier review process to monitor overtime on an overall and individual basis. DOES is working with DCHR to implement this 3-tier review process in PeopleSoft. In addition, DOES does use PeopleSoft to periodically report overtime hours worked, applicable pay rates, and timing or reasons for the overtime work to ensure accountability, enhance controls, and deter mismanagement. If an employee does appear to have fraudulently claimed OT hours for hours not worked, then the employee would be subject to discipline, up to and including termination, consistent with DCHR policies.

Recommendation #2

DOES should update its overtime policy to specify how the creation, storage, maintenance, and periodic review of overtime performance documentation should be handled.

DOES Response:

Since early 2023, DOES has implemented a monthly review of overtime worked during the previous month to identify trends.

Most recently, the Office of Unemployment Compensation updated the Overtime Policy to formally structure a process to require supporting documentation from all employees to validate work performed and hours worked. The updated policy also addresses the storage and maintenance of all overtime documents, as well as incorporating a deadline for submission of overtime requests, a timeline for the approval chain, and a process for periodic reviews of overtime documentation and compliance checks by the Compliance Chief. The revised policy is attached.

Further, on March 22, 2024, the Office of Unemployment Compensation conducted a training for all staff via Microsoft Teams to review the policy. Throughout this training module, a concentrated effort is/was placed on ensuring that staff are aware that overtime hours worked must be accompanied by a productivity report that details the work performed during the approved hours/dates. This report must be submitted at the conclusion of the overtime to the respective supervisor of each staff member via email, with a courtesy copy (cc) to the Compliance Chief. The policy also provides that failure to comply with the requirements, outlined in the policy, would result in a disallowance of future overtime opportunities. Smartsheet serves as the repository for all overtime documents. The Compliance Chief currently accesses the documents monthly to conduct a formal review against the Office of Unemployment Compensation overtime checklist and corresponding policy.

Each employee within the Office of Unemployment Compensation was required to be in attendance as well as to digitally acknowledge receipt of the overtime policy. Those who were not in attendance on the scheduled date of the training were required to watch the

training video and provide an electronic signature. This Office of Unemployment Compensation Overtime Training will be conducted on a quarterly basis, going forward and is attached.

Recommendation #3

The DOES Office of Unemployment Compensation Deputy Director should review ODCA’s survey and interview results to identify strategies to address employee concerns and develop a plan to implement and communicate the strategies to all Unemployment Insurance staff.

DOES Response:

The Office of Unemployment Compensation’s Management Team has reviewed the ODCA’s survey and results. However, prior to the issuance of this document, the Office of Unemployment Compensation implemented numerous initiatives to address employee morale, retention, integrity and the overall culture. To increase morale and to develop a stronger organizational culture, the Office has held several Professional Development and Employee Recognition events, that included a full day of team building exercises, awards and acknowledgements, and a platform to discuss challenges and the best methods and approaches for conflict resolution.

On March 29, 2023, an Employee Appreciation Event was held at DOES, and certificates were issued to employees during an internal event to recognize the hard work of each unit/team within the program. Employee Focused events were also held externally on the following dates: June 7, 2023, September 28, 2023, and March 1, 2024.

Additionally, with integrity being a primary focus of the program, we have introduced an Everyone Owns Integrity themed initiative that was employed in past years and served to benefit the Office of Unemployment Compensation.

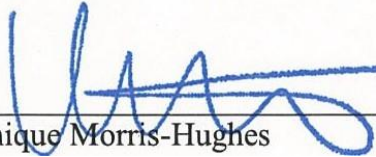
Finally, to ensure staff in the Office of Unemployment Compensation were equipped with the knowledge and skills to process and adjudicate unemployment insurance claims, the Office of Unemployment Compensation conducted the following refresher trainings to staff members:

- Non-monetary and Monetary Issues
- Manage Interfaces
- Claims Payments
- Overpayments /Locating Overpayments
- Overpayments portal demonstration
- Work Items
- Claims Profile

The professional development and trainings described above helped with establishing rapport and teamwork between the different units in the Office of Unemployment Compensation. The professional development and trainings also helped with staff retention, and improved both communication and morale of the staff by providing insight into methods of de-escalation, teamwork, work organization and stress management.

As noted in the draft report, DOES experienced an unprecedented surge in unemployment insurance claims during the scope of the audit. However, DOES has worked diligently to address all concerns raised as a result of the pandemic. DOES continues to build on our strong foundation to continue moving the skilled, valuable and determined workforce of the District of Columbia forward.

Sincerely,



Dr. Unique Morris-Hughes
Director

CC:
Betsy Cavendish
General Counsel, Executive Office of the Mayor

ODCA Response to Agency Comments

We appreciate DOES's responses to the draft report and are pleased that DOES agrees with all three recommendations and has made progress toward implementation. Specifically, DOES stated it is working with DCHR to recreate its approval process in PeopleSoft, has significantly improved the monitoring of overtime performed, provided staff overtime training, and updated the overtime policy.

We appreciate DOES providing an updated section of the overtime policy, the training slide deck, and a tracking sheet of signed acknowledgments. The training materials indicate more specific directions have been established and disseminated regarding the creation, storage, maintenance, and periodic review of overtime performance documentation. We suggest incorporating the same level of specificity in the updated overtime policy so that staff can reference it when requesting and approving overtime.

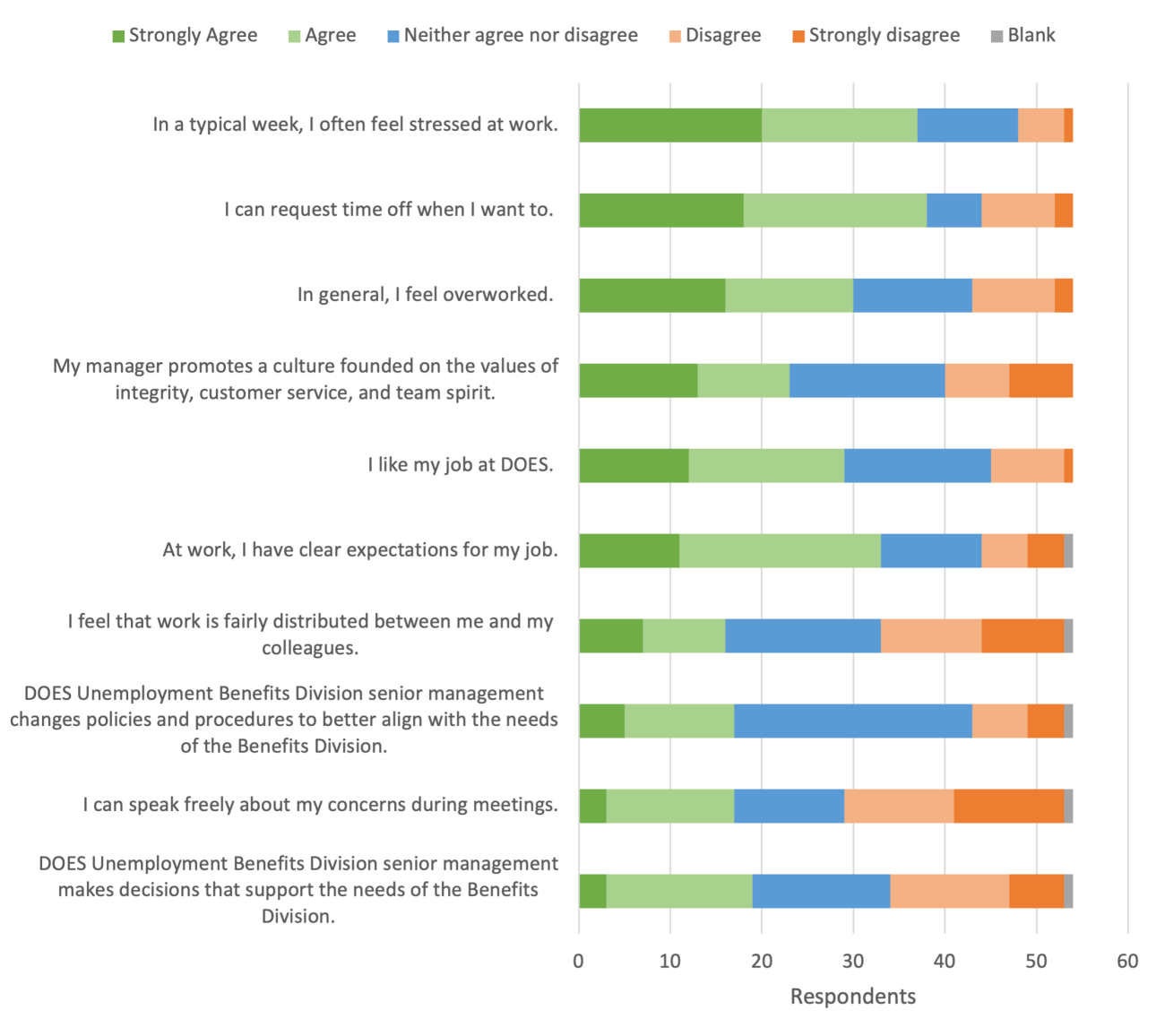
In addition, we are pleased that the Office of Unemployment Compensation has implemented numerous initiatives to address employee morale, retention, integrity, and overall culture.

The COVID-19 pandemic was an unprecedented time, but the intensity of the pandemic was also an opportunity to stress-test agency policies and identify growth opportunities. We are pleased to see DOES's willingness to learn from past practice and take action. We thank DOES for its efforts.

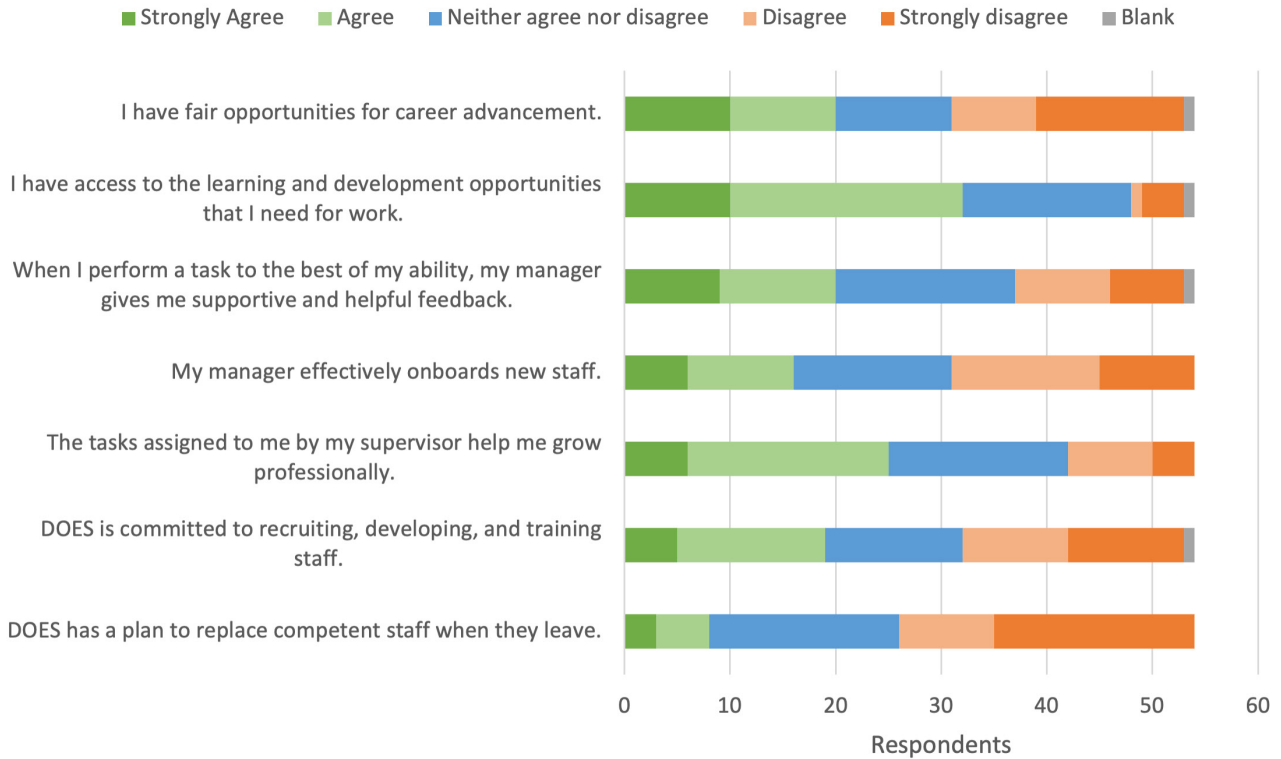
Appendix A

ODCA distributed a survey to 104 eligible DOES Unemployment Insurance employees. We received 54 responses. A summary of all responses to agree/disagree questions by topic is provided below.

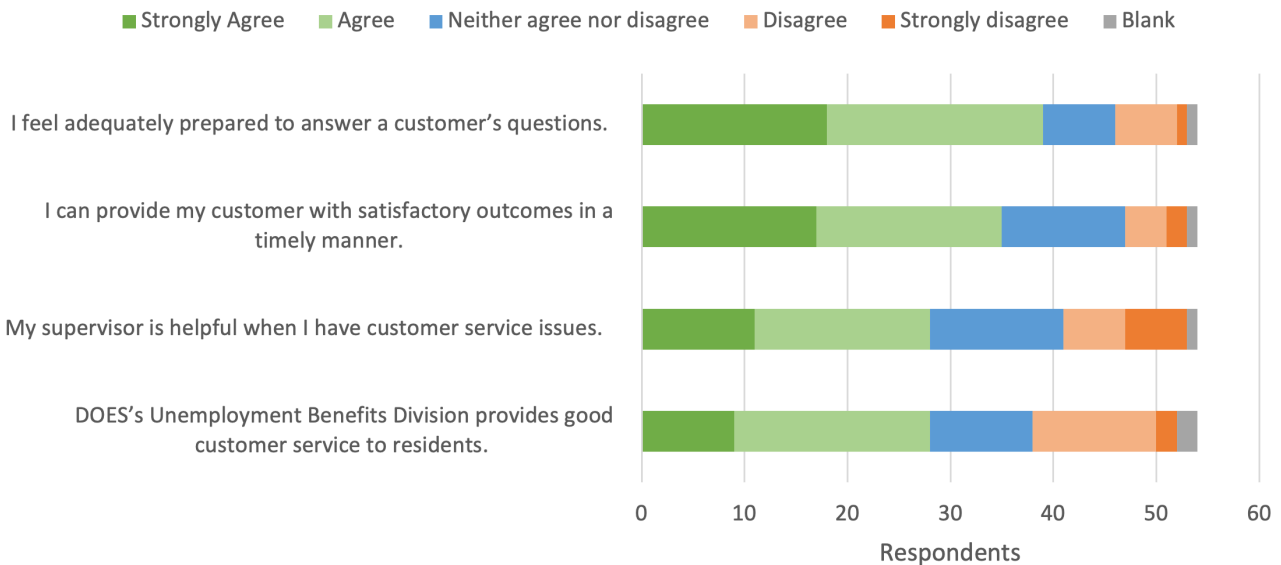
Work Culture



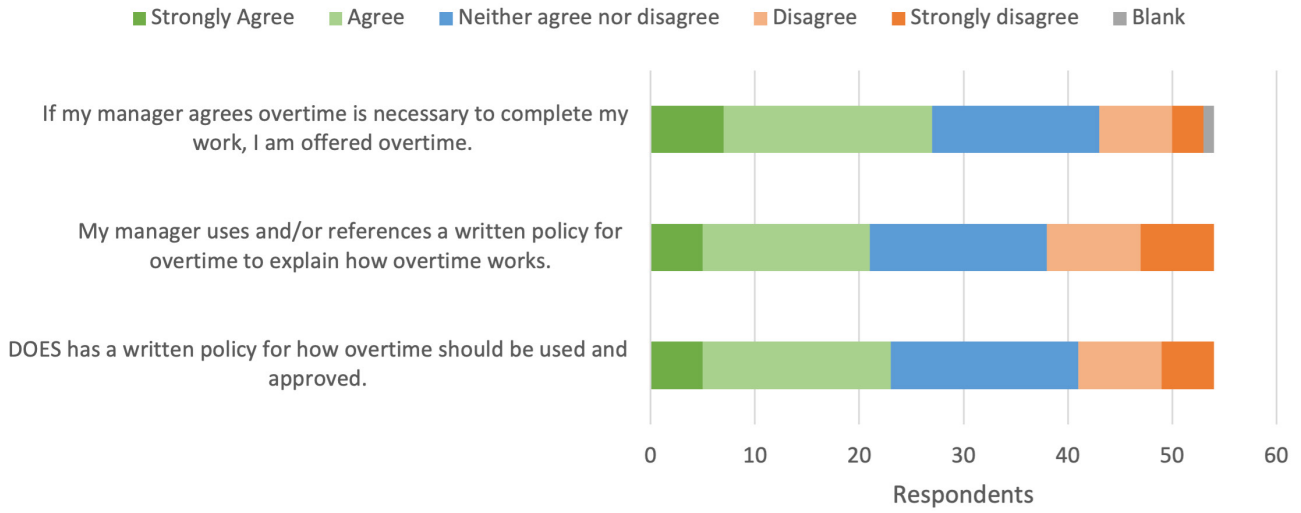
Recruitment/Development/Retention



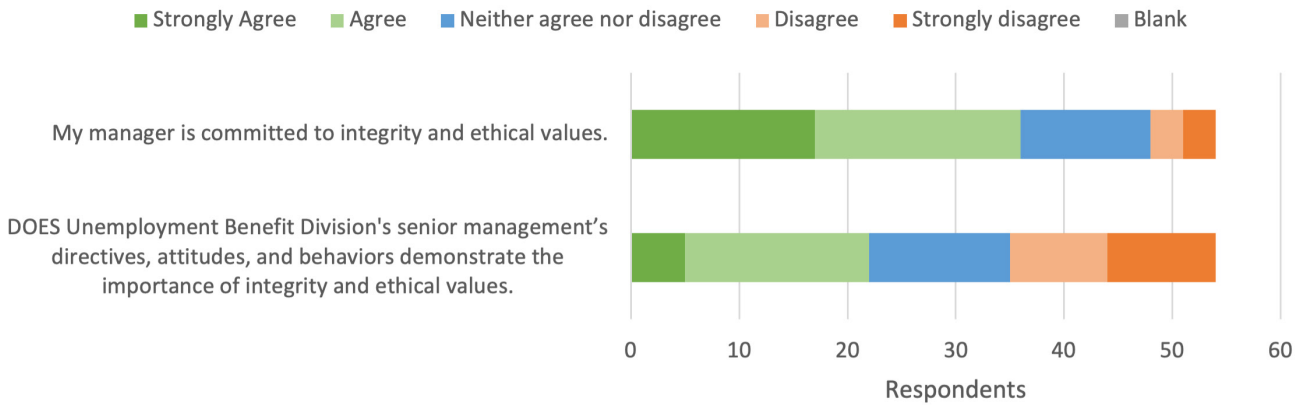
Customer Service



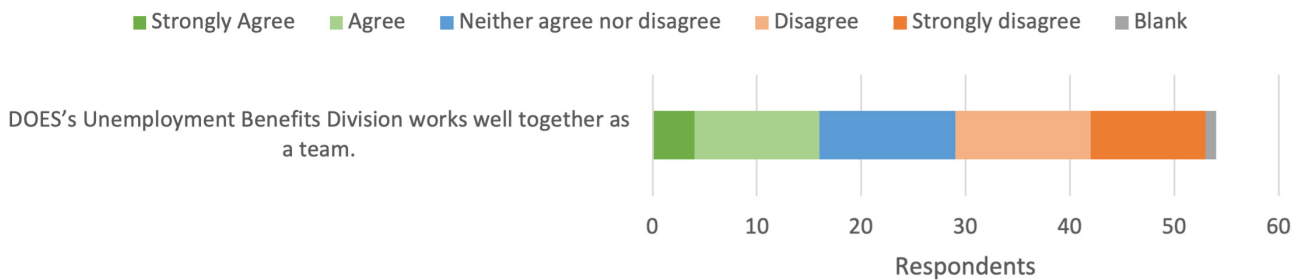
Overtime



Integrity



Team Spirit



About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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