

CRIMINAL JUSTICE COMMITTEE

Inappropriate Tahoe Differential Pay

Citizen Complaint #C19 – 02/03

Reason for the Report

A citizen's complaint was received alleging a former Undersheriff received Tahoe Differential Pay to which he was not entitled.

Scope of the Investigation

The members of the Grand Jury interviewed:

- The former Sheriff (Sheriff);
- The former Undersheriff (Undersheriff);
- Employees of the El Dorado County Sheriff's Department;
- Employees of El Dorado County Department of Human Resources.

The Grand Jury also reviewed:

- Appropriate payroll documents;
- Tahoe Differential pay policies for the County and Memoranda of Understanding (MOU);
- "Agreement to Appointment of Undersheriff" memo, signed by the Sheriff and the Undersheriff regarding Tahoe assignment.

Background

Early in 1999, the Sheriff and a Captain, about to be appointed Undersheriff, had a brief exchange regarding the Undersheriff's assignment to Lake Tahoe. The Captain's promotion to Undersheriff was based on the condition he leave the Department in January 2000. The Captain asked, upon his promotion to Undersheriff, if he could be assigned to Lake Tahoe and the Sheriff agreed. The Undersheriff prepared an agreement stating his assignment was to South Lake Tahoe, which was signed by both the Undersheriff and the Sheriff.

Subsequently, Sheriff's Payroll Department processed the Payroll/Personnel Action Form with the increase in pay for the Tahoe Differential to coincide with the promotion to Undersheriff. The Undersheriff signed the form as "employee" and a payroll clerk signed on behalf of the Sheriff. Although approval for promotional pay actions were purportedly documented, attached to the memo announcing the promotion, and allegedly filed in the appropriate personnel file, no written approval

is currently on file with the Sheriff's Department. The payroll clerk did not question the new Undersheriff receiving the benefit because he was second in command.

The Grand Jury investigation revealed that the usual work station assignment for an Undersheriff is Placerville. County policy and the relevant MOUs require an employee to spend more than 50 percent of his work time at South Lake Tahoe in order to qualify and receive Tahoe Differential pay. Based on the Grand Jury investigation it appears the Undersheriff in question did not spend the required time in South Lake Tahoe to qualify for the differential pay. The Undersheriff's retirement pay increased as a result of this benefit. It should be further noted the investigation revealed this to be an isolated case.

The Grand Jury investigation also revealed it is common practice for the Sheriff's Department Payroll Clerks to sign Payroll/Personnel Action Forms on behalf of Division Chiefs without obtaining their approval or written delegation of authority. This included those Payroll/Personnel Action Forms resulting in financial impact. Although it is common practice for the payroll clerks to sign on behalf of Division Chiefs, there were not any written authorizations for them to do so.

Findings

No Board of Supervisors response required.

- F1. The Sheriff told the Undersheriff he could be assigned to Lake Tahoe, with the hours and days to be set by the Sheriff.
- F2. The Sheriff did not set days or hours for the Undersheriff to work in South Lake Tahoe.
- F3. The Undersheriff received Tahoe Differential pay without working primarily in the South Lake Tahoe area.
- F4. Payroll clerks, without written authorization, routinely sign Payroll/Personnel Action forms on behalf of Division Chiefs, including those resulting in financial impact.
- F5. The Tahoe Differential pay received by the Undersheriff impacted his final compensation, which in turn was used to calculate his retirement benefits.
- F6. The Grand Jury investigation revealed this was an isolated case.

Recommendations

- R1. Payroll/Personnel Action Forms relating to the Undersheriff should be signed by the Sheriff.

Response to R1: The recommendation has been implemented. Implementation was effective December, 2002. The Grand Jury previously received a copy of the written directives sent to Sheriff's managers and Payroll Clerks. The Sheriff currently signs all Payroll/Personnel Forms for the department including those relating to the Undersheriff.

