



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General

Subject: **INFORMATION:** Notification of Review of
FAA's Actions to Address Allegations of Leave
and Overtime Abuse
Project No. 04A3011A000

Date: April 27, 2004

From: David A. Dobbs
Assistant Inspector General
for Aviation Audits

Reply to JA-10:x60500
Attn of:

To: Ramesh Punwani
Assistant Administrator
for Financial Services/CFO, ABA-1

This is to notify you that our office is initiating a review of FAA's actions to address allegations of leave and overtime abuse. Our office has received several hotline complaints alleging that FAA employees at several large facilities were manipulating work schedules, sick leave, and annual leave to increase overtime usage.

In the past, when we made FAA aware of similar allegations, the Agency took little or no action. However, this appears to have changed. We recently met with senior FAA officials who briefed us on interim actions taken during fiscal year 2003 at one region that resulted in \$4 million of personnel costs being returned to FAA Headquarters and a 19 percent reduction in overtime costs.

In addition, at two locations cited in the allegation, FAA conducted an inquiry into the hotline allegations and found numerous instances where employees were manipulating work schedules, sick leave, and annual leave to increase overtime pay. In March 2004, FAA officials developed an action plan to resolve the allegations. The actions taken at the two locations are steps in the right direction.

However, it is unclear what policies or procedures have been adopted at the other FAA facilities identified in the hotline complaints or if management at those facilities has established whether the allegations are valid. Accordingly, we are initiating a review of measures planned and taken at all locations cited in the complaints.

The objectives of this review are to identify actions taken by FAA to (1) investigate allegations of FAA employees manipulating work schedules, sick leave, and annual leave to increase overtime pay, and (2) implement new policies and procedures to curtail potential future abuse, if applicable.

We plan to begin fieldwork during the week of April 26, 2004. If you have any questions or need additional information, please contact Dan Raville, Program Director, at (202) 366-1405 or Susan Bader, Project Manager, at (202) 366-1989.

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cc: FAA Administrator