

STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
INVESTIGATIONS UNIT

STATE-OPERATED SCHOOL DISTRICT OF PATERSON  
FRAUDULENT TIMEKEEPING BY EMPLOYEE  
OFAC CASE # 1606

REPORT OF EXAMINATION

OCTOBER 2008

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STATE-OPERATED SCHOOL DISTRICT OF PATERSON  
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**EXECUTIVE SUMMARY**

The Office of Fiscal Accountability and Compliance (OFAC) received a complaint that Diedre Simon, a former assistant superintendent in the State-Operated School District of Paterson (district) was allegedly working in the Bergen Arts and Sciences Charter School (charter school) while she was employed by the district. The complaint alleged that the former employee may have worked at the charter school without taking appropriate leave time.

An OFAC auditor went to the charter school to determine if the former assistant superintendent had worked and been paid by the charter school. It was confirmed from a review of documents at the charter school that Ms. Simon received payments for services rendered. The payment invoices from the charter school to Ms. Simon were reviewed. The OFAC auditor also went to the district and reviewed payroll records, time sheet records, leave time documentation, board policy and the contract for Ms. Simon.

The review disclosed that the former assistant superintendent did work at the charter school during the 2007-2008 school year while employed by the district. This employment is contrary to the terms of Ms. Simon's employment contract. During the review, it was detected that benefit leave time was not taken for all days worked at the charter school, and there was also inappropriate leave taken on days worked at the charter school.

The remainder of this report contains allegations and findings, conclusions and recommendations.

### ALLEGATIONS AND FINDINGS

1. The former assistant superintendent of the district worked at a charter school while employed by the district and took either inappropriate leave time or did not take leave time to perform duties at this charter school.

The former assistant superintendent of Cohort (1) for the district, Diedre Simon retired as of June 30, 2008. The OFAC was informed that this individual was allegedly working at the charter school while still employed by the district. The allegation indicated that Ms. Simon did not use appropriate leave time in order to perform duties at the charter school, which is not located in the City of Paterson.

Based on a review of invoices received from the charter school, the OFAC determined that Ms. Simon was paid as a vendor by the charter school from October 24, 2007 through early July of 2008. Subsequent to retirement from the district, Ms. Simon continues to work for charter school on a per diem basis.

Invoices and payments from the charter school to Ms. Simon revealed that Ms. Simon worked (31) days for the charter school during the 2007-2008 school year. The contract for the assistant superintendent of Cohort (1) states in part that:

“The Assistant Superintendent of Cohort (1) agrees to personally devote herself to the duties and responsibilities of the position and shall not accept or serve in any other consulting or professional service capacity during the term of this agreement which interferes with her duties and responsibilities as the Assistant Superintendent of Cohort (1).”

There were no documents on file that Ms. Simon sought approval for this additional position at the charter school.

A comparison was made between the payment invoices from the charter school to the attendance records at the district for Ms. Simon. The attendance and time card records at the district reflect that benefit leave time taken in order to work at the charter school was (½) personal day, (7) sick days, and (16) vacation days; (3) days worked at the charter school were during non-work time and (4½) days worked at the charter school was during work time at the district. The following comparisons were made between records of the charter school and the district:

October 24, 2007      The time card entry for the district was recorded as 8:34 a.m. to 4:30 p.m. However, the hours submitted for payment to the charter school were 8:30 a.m. to 3:00 p.m.

February 15, 2008      The district time card entry indicated that the day was a holiday. According to the district calendar, the district administration and office staff were scheduled to work on that date.

- February 29, 2008      The district time card entry was recorded from 8:30 a.m. to 4:30 p.m. The hours submitted for payment to the charter school were for 7:40 a.m. to 3:00 p.m.
- April 30, 2008      The charter school billing reflected that Ms. Simon worked from 7:50 a.m. to 1:30 p.m. Time card entry from the district was recorded work hours from 1:32 p.m. to 10:02 p.m. The workday for the district ends at 4:30 p.m.; therefore, Ms. Simon only worked at the district for (½) day, regardless of the time indicated as the end of the day on the time card entry.
- May 12/13, 2008      The district time card entry was for (½) sick day for both days. The time card entry for May 12, 2008 was from 8:27 a.m. to 12:00 p.m. The charter school's records indicate the hours worked are 8:30 a.m. to 12:00 p.m. at the charter school. On May 13, 2008, the time card entry was from 7:53 a.m. to 12:00 p.m. The records at the charter school indicate work from 8:30 a.m. to 12:00 p.m.

There district's time card entry also revealed (7) full sick days taken. Ms. Simon's use of sick leave from the district to perform work at the charter school during the same time period reflects a violation of N.J.S.A. 18A:30-1.

According to N.J.S.A. 18A:30-1:

“Sick leave is hereby defined to mean the absence from his or her post of duty, of any person because of personal disability due to illness or injury, or because he or she has been excluded from school by the school district's medical authorities on account of a contagious disease or of being quarantined for such a disease in his or her immediate household.”

The fact that Ms. Simon received pay from the charter school for work performed for the same time period that her time card reflected sick time from the district suggests a violation of N.J.S.A. 18A:30-1.

Ms. Simon's annual salary was \$149,247.00, according to her contract. This was a twelve month position and with 24 pay periods. Ms. Simon's contract stipulates that the per diem rate is calculated by dividing the annual base salary by 240 to determine a daily rate. The per diem rate is \$621.86. The cost to the district for the (4½) days when Ms. Simon worked in the charter school but did not use leave time is \$2,798.37. The cost for use of (7) sick days is \$4,353.02. The total cost to the district for inappropriate and fraudulent use of time off is \$7,151.39.

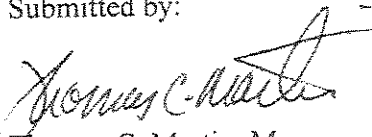
**CONCLUSIONS**

1. The former assistant superintendent worked at another school while employed by the district in violation of her contract.
2. The former assistant superintendent used vacation days and sick days in order to work at the charter school while employed by the district.
3. The former assistant superintendent worked at the charter school while recorded on the time card as being in the district.

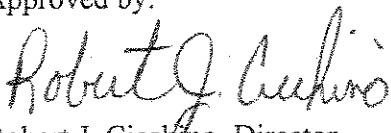
**RECOMMENDATIONS**

1. The district should seek reimbursement for the sick days taken while working in the charter school; the time the employee worked at the charter school, but the employee's time card entry reflected she was at the district; and for the day which was erroneously claimed to be a holiday.
2. The Office of Licensure and Credentials and the Attorney General's Office will be notified regarding this report. Even though this individual is retired, she is reportedly working at a position that requires administrative certification and may pursue other positions in the future.

Submitted by:

  
Thomas C. Martin, Manager  
Investigations Unit

Approved by:

  
Robert J. Cicchino, Director  
Office of Fiscal Accountability and Compliance

Auditor

Janet McNerney

NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
CORRECTIVE ACTION PLAN

SCHOOL DISTRICT NAME: Paterson Public Schools District

COUNTY: Passaic

TYPE OF EXAMINATION: OFAC Case 1606 Fraudulent Timekeeping by Employee

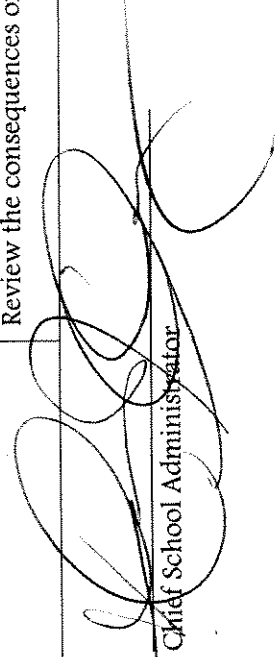
DATE OF BOARD MEETING: November 19, 2008

CONTACT PERSON: Eileen Shafer

TELEPHONE NUMBER: 973-321-2443

FAX NUMBER: 973-321-2445

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1.	<p>The District shall seek reimbursement for the sick days taken while working in the Paterson Public Schools District; for the time the employee worked at the Bergen Arts &amp; Science Charter School. The employee's time card entries reflected she was present at the District when she was absent. There is a day which was erroneously claimed to be a holiday. Total reimbursement is \$7,151.39 for 11.5 days at \$621.86 per day.</p> <p>Review with the Leadership Team the report from the Office of Fiscal Accountability and Compliance Investigation Unit regarding fraudulent timekeeping by an Assistant Superintendent who retired in June 2008. Review the consequences of the report.</p>	<p>A demand letter will be sent to the employee with this report both certified and regular mail.</p> <p>Meeting on November 3, 2008 with the Leadership Team</p>	<p>Mark Tabenkin, General Counsel</p> <p>Eileen Shafer, Assistant Superintendent</p> <p>Eileen Shafer, Assistant Superintendent</p>	<p>Letter will be sent by November 1, 2008</p> <p>November 3, 2008</p>

  
Chief School Administrator

12/4/08  
Date

  
Board Secretary/Business Administrator

10-31-08  
Date