

FEB - 9 2012

SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT
AUDIT OF THOSE STATE AGENCIES WITH SALARY AND WAGE
OVERPAYMENTS.

1 WHEREAS, a recent investigation revealed that the State has
2 overpaid its employees more than \$2,000,000, with hundreds of
3 thousands more in state tax dollars written off as uncollectable
4 and other incorrect pay amounts recovered months or years later
5 from employees who were mistakenly paid too much; and
6

7 WHEREAS, the problem has persisted for so long that many
8 state employees have retired or died while still owing the State
9 thousands of dollars they were overpaid by mistake; and
10

11 WHEREAS, many of these overpayments happen because Hawaii's
12 state workers are still required to fill out paper forms for
13 vacation or sick leave, and that process is not computerized;
14 and
15

16 WHEREAS, if a state employee decides at the last minute to
17 take vacation time at the end of a pay period, the paycheck may
18 have already been cut and the time off not reflected; and
19

20 WHEREAS, other salary and wage overpayments occur when an
21 employee has not been to work or has terminated employment and
22 the appropriate department has failed to inform the personnel
23 officer in a timely manner; a reduction in hours worked is not
24 reported; an employee has not reported to work and has exhausted
25 all sick and vacation leave; and leave without pay is not
26 reported; and
27

28 WHEREAS, as of December 31, 2011, the overpaid wage balance
29 owed to the State by its employees was more than \$1,587,393,
30 with some of these payments dating to 1994; and
31



S.C.R. NO. 37

1 WHEREAS, approximately twenty-five percent of the
2 uncollected overpaid wages are attributable to the last two
3 years; and

4
5 WHEREAS, state law prohibits officials from collecting
6 overpayments of employees more than two years after the fact,
7 and departments are authorized to write off some overpayments as
8 uncollectable; and

9
10 WHEREAS, as a result, hundreds of thousands of dollars that
11 were never collected has been forgiven; now, therefore,

12
13 BE IT RESOLVED by the Senate of the Twenty-sixth
14 Legislature of the State of Hawaii, Regular Session of 2012, the
15 House of Representatives concurring, that the Auditor is
16 requested to conduct a financial and management audit of those
17 state agencies with salary and wage overpayments; and

18
19 BE IT FURTHER RESOLVED that the audit include:

- 20
21 (1) The full extent of the overpayments, the total amount
22 repaid, amounts still eligible for repayment, and
23 amounts deemed uncollectable, by department;
24
25 (2) Efforts by the State to resolve the overpayments; and
26
27 (3) Any recommendations for legislation to address or
28 prevent the issue of salary and wage overpayment and
29 improve the collection of overpayments; and
30

31 BE IT FURTHER RESOLVED that the Auditor is requested to
32 submit the audit findings and recommendations to address the
33 issues raised no later than twenty days prior to the convening
34 of the Regular Session of 2013; and

35
36 BE IT FURTHER RESOLVED that certified copies of this
37 Concurrent Resolution be transmitted to the Governor and the
38 Auditor.

39
40
41
OFFERED BY:

