

MAR - 1 2012

SENATE 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
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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
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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
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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
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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
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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
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32 WHEREAS, approximately twenty-five percent of the
33 uncollected overpaid wages are attributable to the last two
34 years; and
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1 WHEREAS, state law prohibits officials from collecting
2 overpayments of employees more than two years after the fact,
3 and departments are authorized to write off some overpayments as
4 uncollectable; and
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6 WHEREAS, as a result, hundreds of thousands of dollars that
7 were never collected has been forgiven; now, therefore,
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9 BE IT RESOLVED by the Senate of the Twenty-sixth
10 Legislature of the State of Hawaii, Regular Session of 2012,
11 that the Auditor is requested to conduct a financial and
12 management audit of those state agencies with salary and wage
13 overpayments; and
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15 BE IT FURTHER RESOLVED that the audit include:
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- 17 (1) The full extent of the overpayments, the total amount
18 repaid, amounts still eligible for repayment, and
19 amounts deemed uncollectable, by department;
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- 21 (2) Efforts by the State to resolve the overpayments; and
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- 23 (3) Any recommendations for legislation to address or
24 prevent the issue of salary and wage overpayment and
25 improve the collection of overpayments; and
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27 BE IT FURTHER RESOLVED that the Auditor is requested to
28 submit the audit findings and recommendations to address the
29 issues raised no later than twenty days prior to the convening
30 of the Regular Session of 2013; and
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32 BE IT FURTHER RESOLVED that certified copies of this
33 Resolution be transmitted to the Governor and the Auditor.
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OFFERED BY: 