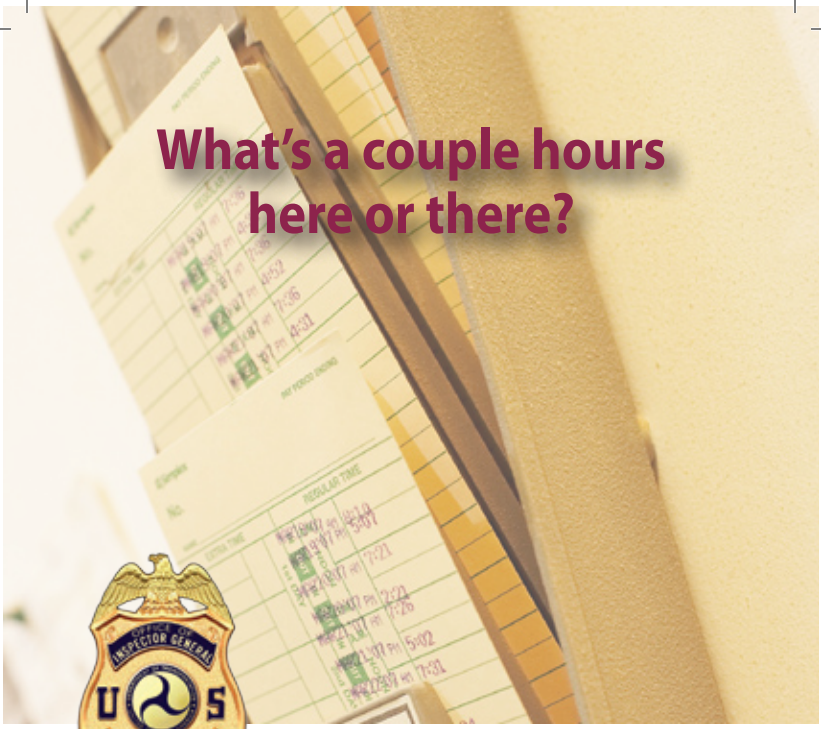

Time Overcharging

In a time overcharging scheme, a consultant or contractor misrepresents the distribution of employee labor on jobs in order to charge for more work hours, or a higher overhead rate to increase profit.

Recognize and Report Fraud in Federally Funded Programs, Contracts, and Grants

(800) 424-9071

U.S. Department of Transportation
Office of Inspector General

Selected "Red Flag" Indicators of Time Overcharging

- ✓ Unauthorized alterations to time—cards and other source records
- ✓ Billed hours and dollars consistently at or near budgeted amounts
- ✓ Timecards filled out by supervisors, not by employees
- ✓ Photocopies of timecards where originals are expected
- ✓ Inconsistencies between consultant's labor distribution records and employee timecards
- ✓ Frequent adjusting of journal entries with descriptions such as changed wrong "work order" or "contract number"
- ✓ Labor charges inconsistent with contract progress
- ✓ Personnel files that cannot be found or "found" after a delay
- ✓ Lack of a clear audit trail to verify propriety of labor charges

Contact OIG using any of the following methods:

Online complaint form: www.oig.dot.gov/hotlineform.jsp

Telephone: (800) 424-9071

Fax: (540) 373-2090

E-mail: hotline@oig.dot.gov

Mail: USDOT Inspector General
P.O. Box 708
Fredericksburg, VA 22404-0708

Note: The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT's safety regulatory agencies for action, as appropriate.

Office of the Inspector General
U.S. Department of Transportation