
INVESTIGATIVE REPORT ON MANAGEMENT ISSUES (OIG-432)

February 16, 2006

To: Randall Lee
From: Walter Stachnik
Re: PRO Employee Clearance Process

During the course of an investigation at the Commission's Pacific Regional Office ("PRO") (OIG-432), we identified a need for improved management controls at the PRO over the clearance process for transferring or separating employees, as discussed below.

Employee Clearance Form

We learned that the PRO does not have adequate procedures for the clearance of employees who transfer or separate from the PRO. In accordance with Commission Regulation ("SECR") 7-4 governing the employee clearance process, the PRO, like all other Commission offices, uses SEC Form 1455, the "employee clearance record form." Form 1455 is used for all personnel who leave the PRO to record the return of any documentation or other government property issued to them during the course of employment.

There appears to have been confusion at the PRO about the form, however. For example, in some instances a box on the form checked "yes" next to certain returned property indicated the item was returned to the PRO employee responsible for the clearance process. In another place on the form, however, a box checked "yes" indicated that an item was returned to the appropriate office at headquarters. In addition, we learned of one instance where the form was not filled out during the employee check out process, but instead was completed days later.¹

Recommendation A

The PRO, in coordination with the Office of Human Resources ("OHR") and Office of Filings and Information Services ("OFIS"), should develop and implement procedures for timely completion of the employee clearance record form in a uniform way that provides meaningful, accurate information about the government property returned.

Response to Recommendation A

The PRO has developed detailed staff procedures for employee out-processing, which it intends to implement immediately. *See* Attachment. These procedures include guidelines for uniform completion of the clearance form and a deadline for completion of the form and

¹ The Office of Inspector General may perform a future audit of the regional and district offices' employee clearance process.

submission of information and materials to appropriate offices.

Government-Issued Travel Charge Cards and Passports

We found that the PRO's lack of adequate procedures for the employee clearance process resulted in a failure to timely and securely return travel charge cards and passports collected from departing employees to the appropriate Commission headquarter's offices. In addition, the Office of Financial Management (OFM), which is responsible for the travel charge card, was not always alerted or alerted promptly by the PRO that a travel charge card had been returned by an employee and should be cancelled.²

We learned that a travel charge card that was turned in by a departing PRO employee was used after the employee departed for unauthorized purchases. The travel charge card was ultimately returned to headquarters, but we learned that other travel charge cards had also not been cancelled promptly after receipt from departing employees. In addition, we learned that a passport returned from a departing employee was not sent promptly to the Office of the Secretary (OS), which is responsible for government-issued passports. The passport was ultimately returned to OS. Since neither OFM or OS was aware that these items were returned to the PRO by the departing employee, there was an increased likelihood of their theft or misuse (as occurred with the travel charge card).

Recommendation B

The PRO, in consultation with OFM, should develop procedures to ensure that the travel charge cards of departing employees are promptly destroyed, that OFM is notified that the card should be cancelled, and that the travel charge cards of transferring employees are properly accounted for.

Response to Recommendation B

The PRO has developed procedures to ensure that the travel charge cards of departing employees are timely and promptly canceled. *See Attachment.* In accordance with those procedures, the PRO will notify OFM by e-mail in advance that an employee is separating from

² We also learned from OFM that field offices sometimes notify OFM that an employee is departing the field office, without specifying that the employee is only transferring to another office or division within the Commission and should not have the travel charge card cancelled.

the PRO, then return any travel charge card to OFM within five business days after the separation, and document its return.

Recommendation C

The PRO, in consultation with OS, should develop procedures to ensure that government-issued passports of departing PRO employees are promptly returned to OS.³

Response to Recommendation C

The PRO has developed procedures to ensure that government-issued passports of departing employees are promptly returned to OS. *See Attachment.* In accordance with those procedures, the PRO will notify OS by e-mail if a passport is returned, then mail the passport to OS within five business days after the separation, and document its return.

cc: Peter Uhlmann
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³ In Audit No. 402, the Office of Inspector General made a similar recommendation that the Office of the Secretary remind headquarter's and regional office staff of their obligation to ensure that separating employees return their government-issued passports to OS prior to their departure from the Commission.