

# OFFICE OF INSPECTOR GENERAL

## School District of Philadelphia

### Investigative Report Synopsis

#### Introduction

On January 4, 2022, the Office of Inspector General (OIG) for the School District of Philadelphia (District) received an allegation that an employee was abusing the wage continuation benefit offered by the District, which continued into the 2022-23 school year. An OIG investigation ultimately substantiated that the employee remained in wage continuation status for approximately two months longer than the benefit otherwise permitted and erroneously collected salary and benefits for multiple pay periods, causing financial losses to the District in the amount of \$12,859.67.

#### Applicable Policy

##### *Wage Continuation Benefit*

The District offers extended personal illness leave through the wage continuation benefit to all employees. If an employee elects to enroll in the benefit, they are eligible to receive 75% of their regular wage contingent on certain prerequisites. The benefit requires an employee to first exhaust their accrued sick days and complete an unpaid “corridor” period before they are able to collect the wages. The “corridor” is a period where the employee is excused from work, but unpaid, before they are able to formally enter the wage continuation period. The length of the wage continuation benefit afforded employees, either 26 or 52 weeks, varies depending on whether the employee is represented and by which union.

If an employee is out of work on extended sick leave under wage continuation and returns to work, there is a “re-establishment period” an employee must complete before they can again utilize either the full 26 weeks or 52 weeks of wage continuation benefits. The length of the leave and whether the employee is represented dictates the required re-establishment period. The re-establishment period is only required if the employee wishes to restart their 26 or 52 weeks of time. Otherwise, an employee can continue to utilize wage continuation until they have exhausted the remainder of their available time. When an employee’s available wage continuation expires, they must either resign, retire, or be cleared by their physician and Employee Health Services (EHS) in order to return to work.

#### **REPORT FRAUD, WASTE, AND ABUSE**

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While an employee is on wage continuation leave, they must comply with certain District requirements to continue utilizing the benefit. Prior to the COVID-19 pandemic (COVID), if an employee was out for an extended period of time, the employee was required to either be periodically evaluated by the District physician in person or submit documentation from their own doctor to the District physician for approval. After COVID, all employees were instead required to submit documentation from their treating physician to the District for approval. The frequency of the evaluations is set by EHS on a case-by-case basis.

Before an employee is permitted to return to work from an extended sick leave, they must receive approval from EHS. Furthermore, the employee is prohibited from engaging in any remunerative or non-remunerative occupation during the period of their sick leave. Any employee who “deems him/herself able to perform other activities must obtain permission to perform such activities from the Chief Talent Officer who will consult with the Director of Employee Health Services. The activities include but are not limited to: engaging in non-paid occupation, assisting another or others in the conduct of a paying occupation, or undertaking educational or volunteer activities outside of the home.”

### **OIG Investigation and Findings**

The OIG received information that during the 2021-22 and 2022-23 school years, an employee was abusing the wage continuation benefit. As a result, investigators reviewed the employee’s attendance records and Absence Detail Report (Absence Report) for the period between February 2021 and March 2023. The employee was eligible for 26 weeks of wage continuation as a function of the union contract, which, excluding weekends and including holidays, amounts to 130 days. Employees can expend that time in consecutive or intermittent periods. If an employee is out of work for more than six weeks but less than three months on wage continuation, they must return to work for three consecutive months with no more than four absences in order to re-establish their time. If the employee is out for more than three but less than six months, they must return to work for six consecutive months with no more than six absences before they can restart their 26 weeks of time. Otherwise, the employee can only use the time that is remaining in their original 26-week period.

On April 12, 2021, after exhausting the balance of their personal illness leave and completing the required corridor period to start wage continuation, the employee began their 26 weeks of allowable wage continuation time. They did not “return to work” until June 18, when schools were already closed for the summer and the employee was not required to be present. Based on the re-establishment requirements, they would have needed to return to work for three consecutive months with no more than four absences in order to restart their time. However, when staff were required to return to work for the new school year on August 23, the employee reported to work but only for three consecutive weeks before going out on leave. The employee took more than five days of leave thereby preventing them from re-establishing the full wage continuation leave bank.

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On September 13, the employee sent a text message to their supervisor stating that it was in their “best interest” to go on extended leave. However, from September 15 until October 18, the employee was not coded properly. Despite not coming to work during that time frame, the employee was only coded out for 10 days. Their Absence Report indicates that they used wage continuation on September 13, personal leave on September 15, 23, 24, and 27, and Directed Quarantine Leave (DQL) on September 30. Their supervisor recalled that on September 23 or 24, the employee was absent due to COVID despite the fact that they never submitted proof of a positive test result, only explaining that they were near a staff member that tested positive, and did not return until October 13 or 14. The employee’s Absence Report indicates use of wage continuation on October 1, 4, and 5, but those leave codes were then removed from the report. Further, although they continued to be absent from work until at least October 13, their Absence Report only indicates “Coded Leave Not Available (59)” on October 6, 7, 8, 12, and 13. On October 15, the employee again informed their supervisor that they would be out of work for a couple of days, but did not return for more than three months.

The employee used wage continuation again from October 18, 2021, through January 28, 2022. As they were out of work for more than three months, they would have needed to return to work for six consecutive months with no more than six absences in order to restart their time. However, after returning on January 31, the employee repeatedly failed to be present for a consecutive six-month time period without more than six days of absences, including sporadic wage continuation use in February and March, and therefore did not re-establish their available time.

Despite their failure to re-establish their available wage continuation time, the employee once again availed themselves of the wage continuation benefit on November 30. On January 9, 2023, the employee submitted a letter from a physician to Employee Health Services (EHS) explaining that they were “not clear to return to work until May 1, 2023.” That return date was subsequently approved by EHS. However, due to the lack of successful re-establishment periods, the employee had already exceeded the maximum number of days afforded to them by the benefit. If the employee did not return until May 1, they would have far exceeded their 130-days of allowable time.

After discovering this mistake, investigators met with EHS employees to discuss the employee’s use of the wage continuation benefit. EHS explained that the Office of Payroll (Payroll) erroneously awarded the employee a new 130-day balance of wage continuation in August 2022, despite the fact that they never re-established their time. This allowed them to remain in wage continuation status for approximately two months longer than permitted. EHS determined that the employee’s wage continuation should have expired on December 30, 2022.

Following this determination, EHS contacted the employee to inform them that their available wage continuation had expired on December 30, and as such, they either needed to resign, retire,

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or return to work. The employee submitted a letter of resignation on March 28, 2023. On March 29, the employee attempted to rescind that resignation and attached a letter from a physician stating that they were able to return to work. However, the District physician determined that the information submitted “does not meet the criteria to return to work after such a prolonged absence. There is no diagnosis, no status of treatment that prevented a return to work and no consistent return to work timeline. After reviewing the medical reports previously submitted, the healthcare provider documented that [the employee] could return in May 2023. Based on the lack of factual documentation and lack of medical acuity, the employee must resign or retire at this time.”

Had this mistake not been discovered, the employee would have likely remained in wage continuation status until at least their most recently approved return date of May 1, 2023, which is 85 days past their expiration date of December 30, 2022. As a result of this investigation, the employee resigned from the District on March 28, 2023, 62 days past their wage continuation expiration date. EHS was able to ensure that the employee was immediately entered into “No-Pay” status and stopped their last paycheck for the pay period ending on March 24. However, the employee still erroneously received 75% of their salary and benefits for the 50 work days in the pay periods between January 2, 2023, and March 10, 2023, resulting in financial loss to the District of \$12,859.67.

### **Conclusions and Recommendations**

In August 2022, this employee erroneously received a new wage continuation balance of 130 days, allowing them to remain in wage continuation status for approximately two months longer than otherwise permitted by the benefit. The OIG recommends that the process by which the District issues new 130-day balances of wage continuation time to employees be modified to accurately take into consideration the necessary re-establishment periods and prevent employees from erroneously having their time restarted. EHS should continue to work with the Office of Information Technology (IT) and Payroll to establish uniformity in leave coding and accuracy in calculations of wage continuation use. This will ensure that fewer employees abuse the benefit in the future by remaining in wage continuation status longer than permitted.

Since the employee had already resigned from the District, they could not be subject to any disciplinary action. They also expended all of the leave time afforded to them, therefore they had no termination pay to be withheld. However, the OIG recommended that the District pursue appropriate restitution of all salary and benefits the employee erroneously received, including payments to the Public School Employee Retirement System (PSERS) made on the employee’s behalf during that time.

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