

*Howard S. Weitzman*  
*Comptroller*

Elizabeth Botwin  
Chief Deputy Comptroller

Aline Khatchadourian  
Deputy Comptroller  
for Audit & Special Projects



**OFFICE OF THE COMPTROLLER**

240 Old Country Road  
Mineola, New York 11501  
Tel: (516) 571-2386  
Fax: (516) 571-5900

September 16, 2009

Ms. Lisa Tringali  
Area Vice President-Long Island  
Randstad US  
500 Walt Whitman Road  
Melville, NY 11747

Re: Limited Audit of Randstad US Compliance with the Nassau County Living Wage Law

Dear Ms. Tringali:

A limited compliance audit was performed of contracts #CQAS07000001 and CQAR06000006 between Randstad US (Randstad) and Nassau County. The objective of this audit was to determine whether Randstad was in compliance with the Nassau County Living Wage Law (the Law) and the related Rules. The review period was calendar year 2007 through August 3, 2008. Randstad has advised us in an e-mail dated October 26, 2008 that they are no longer doing business with the County under the contracts subject to the audit. We confirmed that the last payment made to Randstad was for services for the week ending August 3, 2008. To accomplish our audit objective, we reviewed Randstad's pertinent records, performed certain tests and interviewed key personnel.

Based on our limited audit, our findings and recommendations are as follows:

**Audit Finding (1):**

**Compensated Days Off**

Randstad did not provide its covered employees with compensated days off in accordance with the Law. The Law requires employers to provide "no fewer than twelve paid days off per year for sick leave, vacation or personal necessity at the employee's request. Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time

employees.”<sup>1</sup>

Randstad did not have a policy for covered employees to receive compensated time off. Randstad as such did not provide a formal communication to its employees regarding their entitlement under the Law.

In response to our audit request, Randstad informed us that as of July 15, 2008, covered employees were paid in lieu of receiving compensated days off for 2007 or for year-to-date 2008. Randstad provided us with Accrued Hours Payable reports for both their contracts for calendar year 2007 and for the first 26 weeks of 2008. According to Randstad, their liability was as follows:

<u>Contract Number</u>	<u>Accrued Hours Liability</u>		
	<u>2007</u>	<u>2008</u>	<u>Total</u>
CQAS07000001	\$ 18,674	\$ 7,644	\$ 26,318
CQAR06000006	<u>\$ 3,571</u>	<u>\$ 2,063</u>	<u>\$ 5,634</u>
TOTAL	\$ 22,245	\$ 9,707	\$ 31,952

Randstad advised us that it made payments totaling \$31,952 to 23 employees in July 2008. Randstad provided us with its Payroll Register Report for that period as supporting documentation, from which we confirmed that payments had been made.

We reviewed Randstad’s Accrued Hours Payable reports and noted that the methodology for calculating the accrued hours for part-time employees did not comply with the Law. Under the Law, an employee earns proportionate compensated time off for each week in which they work 20 or more hours. Rather than calculating the accrued hours on a week-by-week basis, Randstad calculated the average hours worked weekly by each employee for 2007 and for 26 weeks of 2008. If an employee’s average weekly hours worked were less than 20, accrued hours were not provided, even though some weekly work hours may have met or exceeded 20 hours.

We also noted that the Accrued Hours Payable report was incomplete. One employee who was included in the billings to the Assessment Review Commission for services provided between the weeks of February 3, 2008 to May 18, 2008 was not included on the schedule. We determined that the employee had worked 413.50 eligible hours and may have been owed 19.08 hours of compensated time off.

---

<sup>1</sup> “Nassau County Living Wage Law,” Nassau Co. Misc. Laws, Title 57, § 3 (2007). ). The Law and the related rules can be found on the Comptroller’s website at: <http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>.

### **Audit Recommendations:**

Randstad should:

- a) re-compute the accrued hours for part-time employees for both 2007 and through August 3, 2008 to ensure that all covered employees were provided compensation or compensated time off in accordance with the Law. Randstad should immediately make the appropriate disbursements for any amounts owed to employees; and
- b) provide us with:
  - its calculations, along with the supporting documentation, for accruals of compensated time off; and
  - documentation evidencing the payment of accrued time off to each employee.

We will perform a follow-up review to ensure that employees were compensated in accordance with the Law.

### **Audit Finding (2):**

#### **Living Wage Rate**

Randstad did not pay the hourly wage rates required by the Law. The Law requires that “Employers shall pay their employees no less than the living wage for each hour they perform County work and either provide them benefits or supplement their hourly wage rate by an amount no less than the benefits supplement rate.”<sup>2</sup> During the audit period, the living wage was \$9.50 per hour and the benefits supplement rate was \$1.50 per hour, aggregating to \$11.00 per hour. We tested payments to 11 employees, out of a total of 28 employees, and found that two employees were underpaid by a total of \$294, one by \$139 and the other by \$155.

### **Audit Recommendations:**

Randstad should review all the wage payments made to all employees covered under the Law to determine if any other employees were under-compensated. The two employees identified in the audit who were under-compensated should be paid immediately.

Randstad should provide us with:

- supporting documentation for its verification of wage rates paid and its calculations of underpayments resulting from payments made below the living wage rate; and
- documentation evidencing the corrective payments made.

---

<sup>2</sup> “Nassau County Living Wage Law,” Nassau Co. Misc. Laws, Title 57 (2007) § 3a. The Law and the related rules can be found on the Comptroller’s website at: <http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>.

We will perform a follow-up review to ensure that employees were compensated in accordance with the Law.

\*\*\*\*\*

The matters covered in this report have been discussed with the officials of Randstad during the course of this audit. On May 14, 2009, our Office submitted a report in draft for Randstad's comments. Randstad provided its comments on August 11, 2009. Randstad's comments, and our responses to those comments, have been included in this final report.

Sincerely,



Aline Khatchadourian  
Deputy Comptroller for Audit and Special Projects



**Randstad US**  
2015 South Park Place  
Atlanta, GA 30339  
770.937.7000 T  
770.937.7151 F

Staffing | Professionals | Search & Placement | HR Solutions | Inhouse Services

August 11, 2009

*[County employee name redacted]*  
Office of the Nassau County Comptroller  
Living Wage Unit  
240 Old Country Rd  
Mineola, NY 11501

Dear *[County employee name redacted]*:

This letter constitutes Randstad's response to the County's correspondence dated May 14, 2009, which requested a response to two audit findings concerning the County's Living Wage Law.

**Audit Finding #1**

Randstad complied with the audit recommendation to recalculate the previously unaudited employees to determine if those employees were appropriately compensated for time off. Our new calculation also included the missing employee, *[Randstad employee name redacted]*.

Randstad's new calculation (which has been orally approved by *[County employee name redacted]* with Nassau County) shows that we owe ten employees a total of \$2,653.59. Please let me know whether the County agrees with this determination. Once we receive written confirmation that the County agrees with these calculations, we will make payment to the employees in question and will provide documentation evidencing these payments.

**Auditor's Follow-up Response:**

*The Comptroller's Office does not issue oral approvals. We reviewed Randstad's calculation and informed it, in an August 26, 2009 e-mail, that we noted discrepancies in its calculations that increased the amounts owed to two employees by a total of \$45. The increase in the amount owed is due to Randstad's omission of two workweeks in the calculation for one employee's accrued leave due, and one workweek for the other employee. We concur with the amended total of \$2,699 for the ten employees<sup>3</sup>*

---

<sup>3</sup> These ten employees include five employees who were not included in the July 2008 payment of \$31,952 to 23 employees. The total number of employees who were underpaid for compensated days off was 28.

## **Randstad's Response and Auditor's Follow-up**

---

*and recommend that Randstad pay its employees the additional amounts owed and provide evidence of the payments to the Comptroller's Office.*

### **Audit Finding #2**

We agree with the County's audit findings. However, please note that Randstad has already made the required payments to the two employees [*Randstad employees' names redacted*]. The documentation evidencing the payments to those two employees was previously sent to [*County Deputy Comptroller's name redacted*] and [*County employee name redacted*] via email on July 2, 2009.

### **Auditor's Follow-up Response:**

*We concur with the corrective actions taken by Randstad to reimburse the two employees for underpayments totaling \$294.*

We prefer that these audit findings remain confidential and not be posted on Nassau County's website. Please confirm that this request is acceptable to the County.

If you have additional questions, please let me know.

Sincerely,

Paula Holbrook  
Senior Manager, Payroll  
Phone: [*phone number redacted*]  
Email: [*Email address redacted*]

### **Auditor's Follow-up Response:**

*Our audit protocol is to post all audit reports, including auditee responses, to the Nassau County Comptroller's website.*