

Altering employee time sheets can mean personal liability

If you are responsible for approving time sheets or signing off on any alterations of the reported hours worked by employees, be warned. It's not just your organization that risks a big fine and costly litigation.

Your *personal* assets are also at risk, as a new court ruling shows. That's because the Fair Labor Standards Act (FLSA) allows employees to sue their bosses, execs and HR professionals for personal liability for altering pay records.

For that reason, make sure supervisors don't tolerate — or, worse, encourage — off-the-clock work or the altering of time records. U.S. Labor Department officials announced this spring that they're receiving more complaints about employees forced to work through breaks.

Remember, for breaks to be noncompensable, employees must be *completely* relieved of their duties. (That's one reason to discourage them from eating lunch at their desks.)

Recent case: The department investigated SelfPride, a nonprofit that operates homes for the disabled, after employees complained that managers routinely altered their time sheets.

At issue: The organization employed "living assistants" (hourly employees) who worked 48-hour weekend shifts. They were required to check on each resident every two hours, around the clock.

When those employees turned in their time sheets, managers routinely deducted eight hours — leaving them with 40 hours of pay per weekend — because each living assistant supposedly got two four-hour breaks. The altered time sheets were then submitted to the CEO, who signed off on them.

But the living assistants told Labor that they couldn't leave the building during breaks, didn't have sleeping facilities and had to call in to the main office once an hour over the weekend. Because the time wasn't theirs to use as they pleased, the court concluded the time should have been compensated.

The kicker: The court held the CEO personally liable, ordering him and the company to pay more than \$500,000 to the employees, including \$155,000 as a penalty. (*Chao v. SelfPride*, No. 06-1203, 4th Cir., 2007)