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REVIEW COMMITTEE

PG and E

PACIFIC GAS AND ELECTRIC COMPANY
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D.J. BERGMAN, CHAIRMAN

APR 1 3 1984
CASE CLOSED
LOGGED AND FILED

IBEW

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
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R.W. STALCUP, SECRETARY

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☐ DECISION
☐ LETTER DECISION
☐ PRE-REVIEW REFERRAL

April 10, 1984

San Joaquin Division Grievance No. 25-636-83-70
P-RC 919

MR. R. J. STEELE, Company Member
San Joaquin Division
Local Investigating Committee

MR. W. WEAVER, Union Member
San Joaquin Division
Local Investigating Committee

The above-subject grievance has been discussed by the Pre-Review Committee prior to its docketing on the agenda of the Review Committee and is being returned, pursuant to Step Five A(ii) of the grievance procedure, to the Local Investigating Committee for settlement in accordance with the following:

Grievance Issue

This case concerns the discharge of a Service Representative in the Bakersfield Customer Services office on October 14, 1983 for allegedly diverting Company funds for herself and other employees.

Facts of the Case

On Tuesday, August 30, 1983, a Customer Services Supervisor in the Bakersfield office approached the work station of an office cashier to inspect and approve a personal check from an employee which had been cashed earlier that day without the approval of a supervisor. While reviewing and approving that check, the supervisor noted that there were other employee-issued personal checks in the office cashier's money drawer that had been cashed without a supervisor's approval. The supervisor reviewed and apparently approved 4-5 checks already in the drawer.

The supervisor then proceeded to the work station of the Head Cashier, where a Service Representative (cashier) was working, temporarily replacing the grievant who is the regular Head Cashier (who was on vacation at the time). The supervisor asked to examine any employee-issued checks at that station. The Service Representative (cashier) presented the contents of the petty cash box, which contained cash, receipts, and checks. Two of the checks were employee-issued personal checks, and totalled $900. One check, in the amount of $700, had been issued by a Customer Services employee (Service Representative) from outside the section, and was dated August 16, 1983, fourteen (14) days prior to this review. The second check, in the amount of $200, had been issued by the grievant and was dated August 31, 1983, one (1) day after this interview. Inasmuch as this review took place late in the workday, nothing further occurred.

The following morning, Wednesday, August 31, 1983, a different Customer Services supervisor approached the Service Representative (cashier) at the Head Cashier work station and asked to see the two checks. The employee indicated that neither check was available. Further investigation brought out the fact that the employee had conversed with each of the employees whose checks were being held and told each that their check must be picked up and replaced with cash or the check would be forwarded to the bank for deposit. The Service Representative (cashier) indicated that the $700 check written by the Service Representative from another section was forwarded to the bank. The Service Representative (cashier) initially indicated that the regular Head Cashier (grievant) called and said she would replace her check with cash, which was to have been picked up at the home of the Head Cashier (grievant) on the evening of August 30, 1983 by the Service Representative (cashier). Following further questioning, however, the employee admitted that she replaced the grievant's $200 check with her (Service Representative - cashier) own personal funds.

Both the Service Representative (cashier) and the grievant were placed on suspension pending investigation and were subsequently discharged on October 14, 1983.

During its investigation, the Local Investigating Committee determined that the three employees that normally relieve the grievant, had been trained and were considered qualified to provide relief at the Head Cashier's (grievant's) position.

The Local Investigating Committee also determined that between August 16, 1983 and August 31, 1983, all three employees were assigned to relieve for or to work with the grievant. In their testimony, all three relieving employees stated that they had been trained in Head Cashier duties by the grievant. Each stated that the grievant had told them that it was alright to hold employee-issued personal checks without depositing them in the regular daily receipts and had instructed each of them in how to balance the petty cash by treating the employee-issued personal checks that were being held as cash.

The record indicated that the check in the amount of $700 was dated August 16, 1983. However, the Service Representative who wrote the check stated during an interview with the supervisor on August 31, 1983 and again at the Local Investigating Committee that the check was actually written on either August 22 or August 23, 1983. Further review of the record submitted to the Pre-Review Committee shows that the grievant was temporarily assigned to other duties from August 9 to August 19, 1983, and was off sick for the full day on August 16 and August 17, 1983. From August 16 to August 19, 1983, one of the trained relief employees was temporarily assigned Head Cashier's duties. This employee stated that she was approached by the Service Representative with a request to cash and hold a check for $700. The Service Representative stated that the transaction had already been approved by the grievant. The temporary Head Cashier stated that she checked with the grievant and was told that it was okay to cash the check. Further, the temporary Head Cashier stated that the grievant reviewed the procedure for balancing the petty cash while holding the employee-issued personal check. Following this discussion, the temporary Head Cashier cashed the check and placed it with the petty check. This employee continued working as temporary Head Cashier until August 19, 1983 during which time the $700 check remained in the petty cash drawer. This seemed to show that the $700 check was actually cashed on either August 18 or August 19, 1983, dates on which the grievant was at work but temporarily assigned other duties.

During the week of August 22 through August 26, 1983, the grievant returned to her regular assignment as Head Cashier. Throughout this week, a second employee who was trained to provide Head Cashier relief worked with the regular Head Cashier. Also throughout this time, the $700 check remained with the petty cash. While both employees worked together during this week, the record states that the grievant was responsible for the conduct of regular business.

On Friday, August 26, 1983, the grievant issued a personal check in the amount of $200, placed it with the petty cash along with the $700 check, and removed $200 in cash. This check was not approved by a supervisor. The check was dated August 31, 1983, five days later than it was actually cashed. The grievant began scheduled vacation on August 29, 1983. On Monday, August 29, 1983, a Service Representative (cashier), the third trained relief, assumed the duties of Head Cashier. On that date, with the petty cash receipts, the $700 check and the $200 check were present. Neither check was forwarded to the bank on August 29, 1983, when the daily receipts for August 26, 1983 were sent. Again on August 30, 1983, neither check was banked along with the regular receipts for August 29, 1983.

Discussion

The Company discharged the grievant for knowingly violating Standard Practice 735.6-1 by:

1) Taking Company cash and substituting her personal check without allowing it to be deposited. On or prior to August 26, 1983, the last day the grievant was assigned the Head Cashier duties, this transaction took place. This action was determined to be a diversion of Company funds for personal use.

2) Allowing personal checks from at least two other employees to be held while allowing the employees to use Company funds. This action was determined to be deceitful agreement to divert Company funds.

3) Instructing other employees to provide this benefit (holding checks) to other Company employees. Two of the employees are junior clerks and are upgraded to provide temporary relief. This action violated Company policy when she instructed these employees to engage in unethical business practices.

4) Instructed/requested on August 29, 1983, the Service Representative (cashier) relieving her for vacation to hold her personal $200 check until she could arrange to clear the check and not to deposit the check. This action was determined to constitute collusion to divert Company funds for personal use.

5) When the grievant was interviewed regarding the above actions, she denied any wrongdoing and denied that she instructed other employees to hold checks. However, signed statements and testimony by other employees contradicted the grievant's denial. This action violated fundamental honesty and the basic principle of trustworthiness that Company employees are expected to practice.

It was also determined that the grievant had received a copy of the Company's Employee Conduct summary on April 1, 1981. The Committee reviewed the specific language concerning the violations in the Employee Conduct Summary. In Item 20, under the Company Funds, Securities, Payment Papers Section, examples of violations of the Employee Conduct Standard Practice are listed: 1) "Knowingly carrying worthless checks as part of a fund in substitution for cash." 2) "Monies assigned as working funds, petty cash funds, etc., shall be used only for the Company purposes intended, and custodians shall adequately safeguard such funds. 3) "Temporary borrowing of funds by unauthorized IOU's or lacking of customers' payment." Included in Item 1 is the statement "It is the policy of this Company that employees shall at at all times continue to practice fundamental honesty. Employees shall not, nor attempt to: deceive, defraud or mislead the Company, other employees, or those with whom the Company has business or other relationships; take or misuse Company property, funds, or service; misrepresent the Company or its employees; divulge or release any information related to the Company of a proprietary nature; obtain a personal advantage or benefit due to their association with the Company or by use of the Company's name; withhold their best efforts to perform the work to acceptable standards; engage in unethical business practices; violate applicable laws; or conduct themselves at any time dishonestly or in a manner which would reflect discredit on the Company." (emphasis added)

Item 4 of the Employee Conduct Policy also indicates that "violation of these policies will subject any employee to disciplinary action up to and including discharge."

The Committee also reviewed a number of cases settled at the Fact Finding Committee level where employees have been discharged for the same or similar reasons. In one case from East Bay Division, a Clerk D cashier was discharged when it was discovered that the employee had been withholding customers' payments in order to cover unexplained cash shortages within her collections. The employee in this case indicated that it was her intent to make up the deficiency in these payments from personal funds. In order to balance each day, the employee would add cash and remove payment stubs. Her actions were found to violate Standard Practice 735.6-1, and the discharge was sustained.

In another case from Humboldt Division, the discharge of a Clerk Typist C (cashier) was sustained based on the fact that in addition to the employee's unsatisfactory performance and demonstrated job incompetence, the employee premeditatedly manipulated account records for his personal gain. The manipulation of account records for personal gain involved an agreement between the employee and a customer/friend. The employee was to pay $50 on the customer's account in exchange for some firewood. The customer's bill was $51.60. The employee put through and signed a $50 adjustment slip attempting to reduce the customer's account to $1.60. The adjustment slip was rejected and returned to the office, at which time the customer was notified and did make a $50 payment. The Fact Finding Committee, in this case, viewed the manipulation of account records a direct violation of the Company's Employee Conduct Standard Practice and agreed that the action, standing alone, constituted just cause for the discharge.

The Committee also reviewed three Internal Auditing Department reports detailing investigations regarding the misappropriation of customers' payments by three collectors in East Bay Division. These three employees had all been discovered withholding payments made by customers to them for periods of time ranging from one to two months. These employees admitted to withholding and making personal use of customers' payments during this period of time. Two of the employees were discharged and one resigned in lieu of discharge. No grievances were filed on the two discharges, and the grievance filed on the employee who resigned in lieu of discharge was untimely.

In two other similar cases involving cashiers in the Bakersfield office in San Joaquin Division and in the South San Francisco office in San Francisco Division, it was determined in both cases, on three separate occasions, three different customers had complained of not receiving credit for their cash payments. These customers presented receipts which had been stamped and initialed by the same cashier. The Bakersfield employee denied taking the money but acknowledged that she always maintained complete control of Company funds in her custody. The Company could find no explanation for the missing funds and, therefore, the employee was discharged for negligence. The South San Francisco employee denied any wrongdoing on his part; however, the manner in which the discrepancies occurred ruled out the possibility that any other employee was involved. Both discharges were sustained by the Fact Finding Committee.

In yet another case out of East Bay Division, a Clerk C had granted herself an unauthorized extension of credit on her PGandE account. The employee also extended credit to the account of a friend. These unauthorized extensions postponed or prevented the normal collection activity on the accounts. The Fact Finding Committee determined, based on these unauthorized extensions, that her discharge was for just and sufficient reasons.

Decision

The Pre-Review Committee, after a careful review of the facts of this case and after reviewing prior cases of a similar nature, agree that the grievant did violate Employee Conduct on Standard Practice 735.6-1 in that the employee used Company funds for her own use as well as repeatedly for the personal gain of others. A personal check for a large amount had been cashed without proper authorization and held for a period of time as confirmed by the testimony of other employees relieving in the cashier's office. The grievant falsified the petty cash records to show a balanced state when it did not exist.

Additionally, despite seeing the physical evidence of signed statements and hearing testimony given by all other witnesses, the grievant continued to deny that she had ever held funds or instructed anyone else to do so; or that she ever told any of the relief employees how to balance while holding checks. However, the ponderance of evidence indicates that she was not being truthful.

For these above-stated reasons, the Committee is in agreement that the discharge of the grievant was for just cause. This case is settled without adjustment and should be so noted by the Local Investigating Committee.

L. V. Brown

L. V. BROWN, Chairman
Review Committee

Roger Stalcup

R. W. STALCUP, Secretary
Review Committee

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