

**What's a couple hours  
here or there?**



## **Time Overcharging**

In a time overcharging scheme, a consultant or contractor misrepresents the distribution of employee labor on jobs in order to charge for more work hours, or a higher overhead rate to increase profit.

**Recognize and Report Fraud in  
Federally Funded Programs,  
Contracts, and Grants**

**(800) 424-9071**

*U.S. Department of Transportation  
Office of Inspector General*

# Selected “Red Flag” Indicators of Time Overcharging

- ✓ Unauthorized alterations to time—cards and other source records
- ✓ Billed hours and dollars consistently at or near budgeted amounts
- ✓ Timecards filled out by supervisors, not by employees
- ✓ Photocopies of timecards where originals are expected
- ✓ Inconsistencies between consultant’s labor distribution records and employee timecards
- ✓ Frequent adjusting of journal entries with descriptions such as changed wrong “work order” or “contract number”
- ✓ Labor charges inconsistent with contract progress
- ✓ Personnel files that cannot be found or “found” after a delay
- ✓ Lack of a clear audit trail to verify propriety of labor charges

## Contact OIG using any of the following methods:

**Online complaint form:** [www.oig.dot.gov/hotlineform.jsp](http://www.oig.dot.gov/hotlineform.jsp)

**Telephone:** (800) 424-9071

**Fax:** (540) 373-2090

**E-mail:** [hotline@oig.dot.gov](mailto:hotline@oig.dot.gov)

**Mail:** USDOT Inspector General  
P.O. Box 708  
Fredericksburg, VA 22404-0708

*Note:* The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT’s safety regulatory agencies for action, as appropriate.

