

	September 11, 2023	TYPE:	Information	NUMBER:	LR-013-23
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**SUBJECT:** 2023 Arbitration Award - Vigilance, Accuracy, Truth & Consequences – Wage Claims Under the T&E Honour System

## DETAILS

### Attention – Canadian TCRC T&E Employees

Audit Specialists have uncovered and continue to identify suspected fraudulent/inappropriate wage submissions under the T&E Honour System. Since 2019 there have been 147 employees disciplined, 29 of them were dismissed.

Our collective goal must be to reduce these events to zero through both education and accountability.

You are asked to take note and remain vigilant, thorough, accurate and honest with your pay entries.

With education and accountability in mind and to further avoid the significant and negative consequences that applies to both fraud (intentional improper wage entries) as well as other improper wage submissions under the Honour System, the Company highlights the following arbitration award issued this year:

**Award AH 863** issued on September 5, 2023, involved an employee with over 18 years of service. The employee was dismissed for submitting various inappropriate wage claims between January 1, 2021, and June 14, 2022. His incorrect wage claims included claims for excessive switching, doubling, training, handling revenue cars in work train service, general holiday pay and others which amounted to \$12,652 of monies to which he was not entitled. The arbitrator found that the bond of trust which the Company must depend upon and is essential under the Honour System of Pay was completely and irrevocably broken. His dismissal was upheld.

In reaching her conclusions the Arbitrator held the Grievor accountable for his own actions even though the Grievor claimed he had been coerced by the bad advice of a former local chairman stating: ***“the Grievor offloaded responsibility for his own behaviour, instead of being accountable for the choices he himself made”***. The Arbitrator concluded that the reasoning of the Grievor that he thought local managers were “vetting” all of his time claims and included detailed comments was not appropriate stating as follows: ***“The Grievor’s explanation of putting “remarks” on a wage claim does not absolve him of the responsibility for entering his time correctly in the first place, or relieve him of the need to seek clarity before claiming entitlement, if he did not have intent to defraud the Company”***.

This recent award underscores the findings of many prior awards. These awards are in the public domain and any future awards involving improper wage submissions will be as well.

- CROA 4762, AH 722, and AH 723 (referenced in Bulletin LR-013-21)
- AH 775, AH 776, and AH 777 (referenced in Bulletin LR-004-23)

Employee honesty and vigilance with pay is mandatory. Under an Honour System, personal responsibility is even greater given the unsupervised trust and independence bestowed on T&E employees. No matter how small or large an amount may be involved – if it is fraudulent - severe disciplinary consequences will result.

As communicated numerous times, the Honour System of Pay means **you are your own Timekeeper** and must adhere to all policies and procedures within the Honour System Manual and Honour System bulletins that are issued from time to time. This has been reiterated in past employee bulletins including but not limited to:

- LR-008-21 (T&E Wage Claim Responsibilities)
- LR-013-21 (Recent Arbitration Awards)
- LR-013 -22 (Accuracy of Dates and Times on Wage Claims and Tie-Ups - Responsibilities)
- LR-014-22 (Honour System Manual – Electronic Copy – Reminder)
- LR-001-23 (Adjusting Timeslips)
- LR-002-23 (Accuracy of Tie-Ups – Responsibilities)
- LR-003-23 (Tie Up Scenarios Involving Over 10 Hours)
- LR-004-23 (2022 Arbitration Awards – Vigilance Accuracy Truth and Consequences)
- LR-005-23 (Proper and Improper Use of Remarks in CMA)

You must make every effort to understand and apply your Collective Agreement, Method of Pay, Instructional Bulletins, and Local Rules correctly.

If your own habits reflect the care and attention required for pay under the Honour System, you are encouraged to share them with your peers.

Labour Relations

**CPKC**