



STATE OF NEW YORK  
OFFICE OF THE STATE INSPECTOR GENERAL  
**Final Report**  
**January 13, 2009**

**DEC Tightens Controls on Use of State Vehicles**

SUMMARY OF FINDINGS/RECOMMENDATIONS

An investigation of the New York State Inspector General found that the New York State Department of Environmental Conservation (DEC) lacks sufficient policies regarding tracking vehicle usage and fuel purchases by employees of the Region 3 Emergency Spill Response Program. Accordingly, DEC is unable to ensure that state vehicles and state-purchased fuel are used for state-related business. The Inspector General recommended that DEC take administrative steps to remedy these deficiencies. DEC advised the Inspector General that it is taking a number of actions to address the concerns identified in this investigation.

ALLEGATION

On April 11, 2007, a complainant requesting confidentiality alleged “ongoing negligence,” by employees of the DEC’s Region 3 Emergency Spill Response Program. In a subsequent interview, the complainant made specific allegations that employees used their state-assigned vehicles for personal use, and used state credit cards to purchase fuel for their personal vehicles.

SUMMARY OF INVESTIGATION

The DEC Region 3 Emergency Spill Response Program is responsible for remediation of spills of hazardous substances, most commonly petroleum, in the seven counties of Dutchess, Orange, Putnam, Rockland, Ulster, Sullivan, and Westchester. The Region 3 office is based in New Paltz. Region 3 employees are assigned to evaluate calls to the agency’s hotline, and may respond to the location of a spill for remediation. A given Region 3 employee may be called to respond to the spill, depending on his position on a list of emergency responders, his availability at the time of the spill, and the location of the spill. In addition to responding to hotline calls, employees assigned to the Region 3 Emergency Spill Response Program also are responsible for inspecting bulk chemical or petroleum storage facilities and monitoring older spill locations.

The hotline responders are assigned specially-marked and equipped DEC vehicles. At the onset of this investigation, DEC employees were permitted to use the vehicles to commute to work. During the pendency of the investigation, Region 3 advised its employees to leave the vehicles at a state facility when not in use for state business, most commonly Region 3's headquarters in New Paltz.

DEC's Vehicle Use / Assignment Policy states that DEC vehicles assigned to its employees "will be used for official State business **only**" (underline and bold in original). This policy further provides that "[i]t is the shared responsibility of managers, supervisors, and employees to ensure that vehicles are used properly. The misuse of a vehicle may result in appropriate disciplinary action." Although DEC policy strongly prohibits personal use of vehicles and appropriately tasks managerial employees with the duty to monitor vehicle usage, NYSIG's examination found that DEC's lacked sufficient recordkeeping requirements, effectively undermining DEC's policy and rendering supervisory monitoring or auditing of vehicle usage near-impossible.

Specifically, DEC's Vehicle Use / Assignment Policy does not provide guidance to employees on recordkeeping related to vehicle usage. However, DEC employees who operate agency vehicles are asked to fill out a Monthly Equipment Usage Report, which asks the driver to record the odometer reading at the end of each day, the "activity code" associated with the employee's work assignment for that day, and any fuel purchases. The form does not require additional information that would help the agency to monitor employee vehicle usage, such as destination or case number. The report is held at the regions for one year, and the data from the report is electronically transmitted into a DEC database. DEC senior staff advised that the agency does not typically or regularly analyze the data from the logs in a manner that would identify potentially improper vehicle use.

Although fuel purchases are to be recorded on the Monthly Equipment Usage Report, DEC does not require its staff to submit receipts along with their records. DEC employees have multiple options for obtaining fuel for their state-assigned vehicles. They are issued a credit card for travel-related costs, a card for obtaining fuel at state-owned facilities, and an ExxonMobil card. An ExxonMobil card is assigned to each vehicle. Although the ExxonMobil system requires both an odometer reading and a personal identification number, Region 3 has not assigned unique personal identification numbers to all of its employees. In fact, every individual in Region 3 uses the same personal identification number to use at ExxonMobil stations. As a result, DEC is unable to determine who made certain fuel purchases, particularly when the fuel card is assigned to a shared vehicle.

The Inspector General reviewed and analyzed the Monthly Equipment Usage Reports and data from ExxonMobil for DEC Region 3 from June 2006 thru May 2007. The records indicate that the vast majority of fuel purchases are recorded on the reports, and that the mileage recorded in the logs corresponded reasonably to the amount of fuel purchased for each vehicle. However, since employees are not required to record travel

destinations or case numbers, the Inspector General could not evaluate whether vehicles were being used solely for permitted purposes.

In May 2008, the Office of the New York State Comptroller issued an Audit Report, 2006-BSE-11-06, pertaining to DEC's internal controls related to fuel expenditures. Notably, the report found deficiencies in fuel purchase reporting, which hampered DEC's ability to detect fraud, waste and abuse. The Comptroller recommended that DEC ensure that all employees fill out the "required reports" completely and that DEC assign individual identification numbers for ExxonMobil fuel cards to each employee. In response to the Inspector General's investigation and the audit of the Comptroller, DEC has advised that they are presently conducting an internal audit of vehicle use and fuel purchases of the entire fleet of DEC vehicles.

## FINDINGS AND RECOMMENDATIONS

The Inspector General's investigation found deficiencies with the recording of vehicle use and fuel purchases at DEC, particularly within the Region 3 Emergency Spill Response Program. DEC lacks policies to guide its employees on recordkeeping, does not require fuel receipts, and does not require employees to record their destinations or related case numbers in vehicle usage reports. Consequently, DEC has little ability to audit vehicle usage to ensure compliance with agency rules, and the Inspector General's investigation was hampered by the lack of complete records. Similarly, DEC's use of a single non-individualized identification number for ExxonMobil purchases within each region does not allow for an effective review of fuel purchases.

The Inspector General concurs with the Comptroller's recommendations to improve internal controls related to fuel purchases. In addition, NYSIG recommends that DEC consider revising its vehicle reports to require employees to their report destinations and the related case numbers.

By letter dated December 30, 2008, DEC advised the Inspector General that it is taking the following actions in response to the Inspector General's findings and recommendations:

- DEC will revise its Vehicle Use/Assignment Policy to include mileage record-keeping procedures and address the need to use appropriate times and attendance codes for documenting travel. DEC is also developing procedures for downloading all fuel transaction data into one database so data can be periodically audited and compared to vehicles miles traveled.

- DEC will study the feasibility of assigning PINs to individuals.

- DEC has taken action to increase awareness of proper fuel purchasing procedures with the issuance of Transportation Services Bulletin No. 07 in July 2008. The bulletin provides guidance on the proper use of fuel cards issued to DEC vehicles.

- To address the recommendation that DEC consider revising vehicle reports to include destinations and related case numbers, DEC will reduce the use of general time and attendance codes and maximize the use of site/project specific time and attendance codes. DEC will also consider revising the monthly mileage sheet and requiring drivers to report destinations.