



Report In Brief

U.S. Department of Commerce, Office of Inspector General

October 27, 2010



Why We Did This Review

The Department of Commerce acquires and operates motor vehicles to carry out official government business; such vehicles may also be used by officers or employees as authorized. The Department's primary source of vehicles is the General Services Administration (GSA); the Department also purchases and leases motor vehicles from commercial sources. The objective of this audit was to determine whether the Department and bureaus were operating motor pool vehicles in compliance with regulations.

Background

During FY 2009, the Department owned about 700 vehicles, leased about 100 commercial vehicles, and leased over 1,400 GSA vehicles at a total cost of approximately \$9.6 million. The Department pays GSA a monthly lease fee plus mileage costs. Motor vehicles that are owned or commercially leased are assigned a JPMorgan Chase fleet credit card that is used to purchase fuel and pay vehicle maintenance and repair costs. The Department is responsible for monitoring transactions posted to the card, and pays these costs directly to JPMorgan Chase. GSA monitors transactions and pays the costs associated with its leased vehicles.

Office of the Secretary

Commerce Should Strengthen Accountability and Internal Controls in Its Motor Pool Operations (OIG-11-004-A)

What We Found

Because documentation supporting vehicle use and fleet credit card transactions is either inconsistent or nonexistent, we were unable to assess the Department's compliance with applicable regulations; we could not determine whether government motor vehicles and fleet credit cards were used only for allowable purposes. This resulted from inadequate policies and procedures and the lack of a centralized fleet management system.

The Department does not provide adequate oversight of motor pool vehicle inventory, activity, or cost. Further, the Department has not developed or implemented internal controls over motor pool operations. As a result, significant unreconcilable differences were found between Commerce records and those of JPMorgan Chase and the GSA vendor. Specifically,

- 733 JPMorgan Chase fleet credit cards could not be matched with a vehicle. Transactions on these cards totaled over \$1 million.
- 339 bureau vehicles could not be matched with a JPMorgan Chase fleet credit card.
- 381 credit cards from the GSA vendor could not be matched with a vehicle.
- 89 vehicles reported by GSA could not be matched with bureau inventory listings.
- 52 vehicles had multiple JPMorgan Chase fleet credit cards.

What We Recommend

We recommend that the Department (1) develop a centralized fleet management information system to oversee the use of motor pool vehicles and costs associated with each; (2) implement available JPMorgan Chase fraud training and monitoring tools, (3) update policies and procedures to ensure that credit cards are used appropriately, bureaus maintain adequate documentation, home-to-work transportation is supported, premium-grade fuel is used only when required in the particular vehicle, accurate odometer readings are recorded when fuel is purchased, and fleet managers and employees receive formal training on the use of government vehicles; and (4) revise its charge card management plan to comply with OMB regulations.