



Report in Brief

JULY 20, 2020

Background

The U.S. Department of Commerce (Department) acquires and operates motor vehicles to carry out official government business, including authorized programs and assistance in major disasters and emergencies. The Department's primary source for obtaining vehicles is leasing through U.S. General Services Administration (GSA) Fleet. However, the Department also acquires vehicles through purchase or commercial lease. In fiscal years (FYs) 2017 and 2018, the Department reported 2,185 and 2,188 total vehicles, respectively. During FY 2018, the fleet had 1,754 GSA-leased vehicles, 430 Department-owned vehicles, and 4 commercially-leased vehicles. As reported by the Department, acquisition and operating costs for its vehicles were approximately \$10 million in both FYs 2017 and 2018.

Our October 27, 2010, motor pool audit found that the Department did not develop or implement internal controls to provide adequate oversight in areas of motor pool operations. Findings included the lack of a centralized fleet management information system (FMIS) to monitor vehicle activities and costs, inadequate documentation supporting use of vehicles, and no formal training provided to fleet managers and new employees for proper use of government vehicles.

In response to our 2010 audit, the Department implemented Fleet Solutions, an FMIS component within the Department's personal property management system, Sunflower. The Department also stated it was updating its property and fleet management handbook to include new guidance in response to the report's findings such as documentation for the use of vehicles, as well as fleet manager and new employee training. A revised version of the Department's *Personal Property Management Manual (PPMM)* was issued in FY 2018.

Why We Did This Review

Our objective was to determine whether the Department's fleet program operates in accordance with applicable federal fleet requirements for vehicle operations, acquisitions, and utilization.

OFFICE OF THE SECRETARY

Fleet Program Is Not Managed in Accordance with Fleet Management Requirements

OIG-20-037-A

WHAT WE FOUND

The Department's oversight of its fleet management program was not adequate. We found that the Department did not operate its fleet program in accordance with federal fleet requirements. Specifically, we identified issues in the following areas:

1. **Operations**—The Department's fleet inventory data is unreliable due to inaccuracies and incompleteness.
2. **Acquisitions**—The PPMM lacks commercial lease guidance for OS, which did not document justifications for vehicle specifications or upgrades.
3. **Utilization**—The Department does not consistently document vehicle usage, conduct comprehensive utilization reviews, and determine its optimal fleet inventory.

By not having enough oversight of the fleet program, the Department is not ensuring that the \$10 million-per-year program is efficient and effective. On September 5, 2019, we issued a management alert memorandum notifying the Department about the issues identified in the first finding of this report.

In addition, we discuss an issue with data errors in the Federal Government Motor Vehicle Registration System in an "Other Matter" section.

WHAT WE RECOMMEND

We recommend that the Chief Financial Officer and Assistant Secretary for Administration do the following:

1. Periodically review and ensure all bureau vehicle information is complete and accurate in the Department's FMIS.
2. Update the PPMM to include guidance for OS commercial leasing. The Department should ensure other PPMM requirements do not similarly exclude OS.
3. Document justifications for mission-essential vehicle specifications when not obtaining leased vehicles through GSA.
4. Update policies and procedures to include requirements for bureaus to maintain adequate documentation of vehicle usage.
5. Provide refresher training to fleet managers to ensure they are aware of all federal and updated Departmental fleet management requirements.
6. Direct Departmental/bureau fleet managers to perform and document an annual analysis of fleet utilization in accordance with Departmental policy and Congressional direction.
7. Perform a vehicle allocation methodology (VAM) study at least every 5 years, to produce a profile of its optimal fleet inventory, and periodically monitor results between VAM studies.