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Southwest Region

Audit Report

Controls Over Forest Service Vehicle Fuel and Maintenance Costs

Report 08601-3-Te
March 2007

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20250

March 30, 2007

REPLY TO
ATTN OF: 08601-3-Te

TO: Abigail Kimbell
Chief
Forest Service

ATTN: Sandy Coleman
Audit Liaison

FROM: Robert W. Young /s/
Assistant Inspector General for Audit

SUBJECT: Controls Over Forest Service Vehicle Fuel and Maintenance Costs

This report presents the results of the subject audit. The Forest Service (FS) March 26, 2007, written response to the draft report is included as exhibit E. Excerpts from this response and the Office of Inspector General's positions are incorporated into the relevant Findings and Recommendations sections of the report.

Based on the information provided by FS, management decisions were reached on Recommendations 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11. Please follow Departmental and your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer, Director, Planning and Accountability Division.

Although we agree with most of the proposed corrective actions, management decision could not be reached on Recommendations 3 and 12. Actions needed to reach management decision for these recommendations are described in the OIG Position sections of the report.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective action taken or planned and the timeframes for implementing those recommendations for which management decision has not been reached. Please note that the regulation requires a management decision to be reached on all recommendations within 6 months from report issuance, and final action to be taken within 1 year of each management decision to prevent being listed in the Department's annual Performance and Accountability Report.

We appreciate the courtesies and cooperation extended to our staff during the audit.

Executive Summary

Controls Over Forest Service Vehicle Fuel and Maintenance Costs (Audit Report 08601-3-Te)

Results in Brief

As the agency of the U.S. Department of Agriculture (USDA) charged with managing public lands in national forests and grasslands, the Forest Service (FS) maintains USDA's largest fleet of vehicles. FS assigns each vehicle it operates a fleet credit card, which is used to fuel and (in emergencies) maintain the vehicle. The Office of Inspector General (OIG) initiated this audit to determine if FS' controls over the fleet credit cards for fiscal years (FY) 2004 and 2005 were adequate, and if charges were for allowable and appropriate expenses.

We found that FS had few controls over the $48 million in transactions charged to its fleet credit cards, and that due to this lack of control; users charged $3.7 million in unsupported expenses. Of this $3.7 million, an estimated $201,581 was for prohibited, premium and mid-grade fuel purchases. FS had no reasonable assurance that the remaining $3.5 million in fuel and nonfuel unsupported expenses was spent to accomplish the agency's mission. To arrive at this conclusion, we data mined and analyzed all of FS' fleet credit card transactions for FYs 2004 and 2005. We also selected and visited two FS regional offices to verify the results of our data mining.[1]

We identified three broad problems with how FS was overseeing its fleet credit card program.

<u>FS Did Not Review Fleet Credit Card Operations</u>

Neither FS' Washington Office nor its regional offices had reviewed fleet credit card operations since FS began using these fleet credit cards in 1998. Although FS was regularly reviewing fleet operations,[2] it had not included fleet credit cards within that review. This occurred because FS Washington officials delegated the responsibility for fleet credit card reviews to local level and regional level management, but did not ensure that these reviews were performed. The only review that mentioned fleet credit cards was a regional review, "Fleet Monitoring Trip," that asked local officials if they had been having any problems with their fleet credit cards. No one stated they were experiencing problems, and so no further review was conducted. Since no management reviews of fleet credit card expenditures were performed, FS

[1] See Scope and Methodology for a complete explanation of the work we performed.

[2] The national and regional offices are responsible for two reviews (Activity Reviews and Functional Assistance Trips) that should include the fleet credit card program. These reviews include reviewing program operations to look for fraud, waste, and abuse as well as assisting units in implementation. For FS fleet operations primarily concerns whether vehicles are in working order and helping to accomplish FS' mission; the management review policy does directly identify fleet credit cards as a critical tool for keeping the fleet in working order or as a specific area for review.

was unaware of these control weaknesses. Because of this, FS was unaware there were $3.7 million in unsupported transactions.

FS' Controls Over Fleet Credit Card Transactions Need Strengthening

We found that FS lacked adequate control over the $48 million in transactions charged to its fleet credit cards during FYs 2004 and 2005. To oversee these transactions, the agency relies on an automated control system known as the Purchase Card Management System (PCMS). Although OIG believes that PCMS could serve as an adequate system, we found that PCMS had not been fully implemented by FS, and that Local Fleet Program Coordinators (LFPC) and Agency Fleet Program Coordinators (AFPC)—the two officials directly responsible for the cards—had received little guidance on how best to use the system.

We identified a number of problems with how PCMS had been implemented by FS. FS employees did not consistently enter odometer readings when fueling their vehicles using their fleet credit cards, nor did FS require that employees maintain receipts for any nonfuel transactions they might charge. This information is essential to monitoring how the cards are used because it allows LFPCs to reconcile fuel charges with the mileage the vehicle has traveled and to determine the appropriateness of nonfuel transactions. Without this documentation, LFPCs could not meaningfully review questionable transactions. OIG determined that $2.5 million out of $48 million, charged to FS fleet credit cards were for nonfuel transactions with $1.3 million of that in "miscellaneous," "null," and "unassigned"[3] transactions.

AFPCs and LFPCs were also not taking advantage of the monitoring controls PCMS offers them for overseeing and reviewing fleet credit card transactions. PCMS allows LFPCs to create a profile for fleet credit card transactions that would notify them if any unusual transactions are charged. "Fine-tuning" these profiles would allow the automated system to analyze transactions, and ensure that LFPCs are only reviewing questionable transactions. We found, however, that LFPCs were not setting these profiles; they instead left profiles at their default settings, which was an inadequate level of control over the fleet credit cards. AFPCs and LFPCs received little or no guidance on how to use PCMS and were uncertain what the system could do. Moreover, even when LFPCs did receive alerts, they did not open and resolve them. Of the 902 alerts PCMS generated in FYs 2004 and 2005, LFPCs did not open, review, or resolve 616. Finally, we found that AFPCs and LFPCs were not using PCMS' data query tool to periodically search for anomalous transactions. OIG attributed AFPCs and LFPCs' lack of

[3] Miscellaneous, null, and unassigned is a subcategory for nonfuel transactions (see Finding 2).

understanding about how to use these controls to the fact that they had received little guidance on how best to use the system.

Due to these control weaknesses, FS was also unaware that its employees were purchasing premium and mid-grade fuels prohibited by the Department.[4] AFPCs and LFPCs knew of this prohibition, but other FS employees were not aware that these fuels were prohibited. We found that during FYs 2004 and 2005 users of FS fleet credit cards purchased 1,679,535 gallons of premium and mid-grade fuel. These prohibited fuel purchases totaled $3.8 million, an estimated $201,581 more than the cost of regular fuel.[5] Vendor errors in fuel description could account for some of the prohibited fuel purchase total; however, without supporting documentation this could not be verified.

FS Needs to Reconcile its Active Fleet Credit Cards to the Vehicles it Operates

USDA regulations require that agencies assign one fleet credit card to each vehicle it operates, but we found that FS had many fleet credit cards unassigned to any particular vehicle. Of FS' 24,120 active fleet credit cards, 4,520 cards were not associated with any vehicle in FS' inventory. This occurred because FS has not inventoried these cards. Officials we spoke to did not feel that such an inventory was necessary, even though the agency's inventory manual requires it.[6] During FYs 2004 and 2005, users of FS' fleet credit cards charged $2.1 million in unsupported expenses[7] to 1,871 of these unassigned cards.

We concluded that FS can substantially improve its oversight of fleet credit card transactions by reviewing fleet credit card operations, strengthening PCMS controls over fleet credit card transactions, training LFPCs and AFPCs to use PCMS, and reconciling its active fleet credit cards to the vehicles it operates.

We also note that FS will soon have to resolve many of these issues that we identified during our review as it works to bring its fleet credit card operations into line with the Office of Management and Budget's (OMB) new rules, which became effective in FY 2006.[8] These new rules include requirements for training fleet credit card users, reducing the risk of unauthorized and inappropriate transactions, and inventorying fleet credit cards. Six of the recommendations presented in this report, require FS to strengthen their procedures in order to meet the new OMB guidelines.[9]

[4] Federal Management Regulation 102-34.335, and Agriculture Property Management Regulation (AGPMR), ch. 110-34, Motor Vehicle Management.
[5] Difference between the actual cost of purchasing a higher grade of fuel and the cost of regular unleaded fuel.
[6] EM 7130-4, ch. 4, dated December 1999 and *Forest Service Manual* 6414.33.12.
[7] OIG determined these charges to be unsupported as they could not be directly linked to a vehicle on the inventory.
[8] *OMB Circular* A-123, app. B, dated April 28, 2006.
[9] Recommendations 1, 4, 5, 8, 11, and 12.

Recommendations In Brief

To improve its controls over its fleet credit cards, we recommend that FS:

- Include reviews of fleet credit card operations within its national and regional reviews of general fleet operations.
- Fully implement PCMS by (1) providing LFPCs and AFPCs with adequate guidance concerning how to use the system, (2) requiring users to record their odometer readings when they purchase fuel, (3) requiring users to keep receipts for all nonfuel transactions, (4) requiring LFPCs to create a reasonable profile for each fleet credit card, (5) requiring LFPCs to run reports, at appropriate intervals, to detect unusual transactions, and (6) requiring LFPCs to open, review, and resolve all PCMS-generated alerts.
- Instruct users of FS credit cards that they are not to purchase premium and mid-grade fuel. As part of their routine monitoring of fleet credit card transactions, LFPCs should run a data query to search for purchases of prohibited fuels.
- Reconcile its active fleet credit cards to the vehicles it actually operates, and cancel any additional cards.

FS Response

In its March 26, 2007, response FS concurred with the recommendations and provided proposed corrective actions. FS agreed that the resulting actions would improve oversight and controls over the fleet credit card transactions and to include a review of the fleet credit card transactions in the Forest Service Manual. (FS' written response is included as exhibit E of this report.)

FS agreed to issue notices to all FS employees requiring users of the FS fleet credit cards to collect and maintain their receipts for nonfuel transactions and require users to enter correct odometer readings when fuel is purchased. FS will also require the LFPCs to create profiles for each fleet credit card. The LFPCs and AFPCs will be required to run reports from PCMS, using the Discoverer query tool, to determine the propriety of the transactions. The LFPCs will be required to read and clear alerts on a weekly basis. AFPCs and the AFHC will be required to run periodic reports to ensure the alerts are being resolved by LFPCs.

FS will issue a notice to all FS employees informing them of the Departmental regulation on the prohibited use of premium fuels for Government vehicles unless specifically required by the manufacturer. In addition, the LFPCs will be required to query the database to identify those that purchase prohibited fuels.

- FS conducted a 100 percent replacement of the fleet credit cards in December 2006 and feel that the dynamics of the property inventory systems provide for the reconciliation of the fleet credit card inventory. However, they did not provide a method for reconciling the fleet card inventory to the fleet card listing.

OIG Position

We accept management decision on 10 of the 12 recommendations in this report. To achieve management decision on Recommendation 3, FS needs to determine what corrective action will be taken, if employees do not enter a valid odometer reading at the time of purchase. For Recommendation 12, FS needs to present OIG with a method of reconciling the fleet credit card listing to the property inventories to ensure that only active assigned fleet credit cards are being utilized.

Abbreviations Used in This Report

AFHC	Agency Fleet Headquarters Coordinator
AFPC	Agency Fleet Program Coordinator
AGPMR	Agriculture Property Management Regulation
EMIS	Equipment Management Information System
FMR	Federal Management Regulation
FS	Forest Service
FSM	FS Manual
FY	Fiscal Year
GAO	Government Accountability Office
LFPC	Local Fleet Program Coordinator
NF	National Forest
OIG	Office of Inspector General
OMB	Office of Management and Budget
PCMS	Purchase Card Management System
USDA	United States Department of Agriculture

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Background and Objective

Background

As the U.S. Department of Agriculture's (USDA) agency responsible for managing public lands in national forests and grasslands, Forest Service (FS) maintains USDA's largest fleet of Government-owned vehicles. As of September 30, 2005, that fleet numbered 23,826 vehicles of all descriptions, ranging from cars to trucks. To fuel and maintain this fleet, FS assigns a fleet credit card to each vehicle.[10] Employees using FS' vehicles charge fuel and emergency maintenance expenses to the fleet credit card assigned to that vehicle.

Organizational Structure for Fleet Credit Card Operations

FS' organization is decentralized, which means that responsibility is delegated to officials at the regional and local levels. For fleet operations (including fleet credit cards), there are three different levels of officials—the Agency Fleet Headquarters Coordinator (AFHC), Agency Fleet Program Coordinators (AFPC), and Local Fleet Program Coordinators (LFPC).

- The AFHC is a national-level official who is responsible for the general management of the fleet, including fleet credit cards. His responsibilities include maintaining and updating records, using a query tool to run management reports, and overseeing how fleet credit cards are used.

- AFPCs are regional level officials who are responsible for managing and overseeing fleet credit cards. They implement fleet policies and procedures, and provide training and guidance to LFPCs within their region.

- LFPCs are local level officials who are responsible for the day-to-day operations of fleet credit cards. They establish and update fleet credit cards; notify the bank if a card is lost, stolen, or damaged; review charges made to the cards; and research any unusual charges. The LFPCs are also responsible for reviewing all system generated statistical samples and user generated alerts from the Purchase Card Management System (PCMS).

Within FS' organizational structure, these three different levels of officials do not answer to one another directly. LFPCs do not answer directly to AFPCs, nor do AFPCs answer directly to the AFHC. Instead, they answer to their

[10] The Government fleet credit card is issued to a vehicle, not a person. The fleet credit card is distinct from pool or project cards. These other types of credit cards may be used for a wide range of projects and equipment, while a fleet credit card is issued to a single vehicle and is to be used only for that vehicle.

respective forest supervisors (see exhibit B for a chart describing this chain of command).

Internal Controls Over Fleet Credit Card Operations

Expenses charged to FS' fleet credit cards are monitored and managed through the PCMS, an automated, relational database management system. The Bank of America and USDA use PCMS to manage and pay for fuel and other emergency maintenance services.[11] PCMS allows FS to record, track, and monitor these transactions.

To oversee how fleet credit cards are used, PCMS offers a number of internal controls—an alert system, a data query tool, and card profiles that will generate alerts if unusual transactions occur:

- LFPCs receive alerts from PCMS when a questionable transaction is charged to a fleet credit card. They are supposed to review and resolve these alerts in order to verify the propriety of the transaction.

- LFPCs and AFPCs also have access to the Discoverer query tool. This software is used to run reports monitoring fleet credit card accounts and purchases.

- LFPCs may establish authorization profiles for each fleet credit card. They may, for instance, program PCMS to alert them if a user charges more than two transactions a day, or more than 20 gallons in a single transaction. These profiles are not "limits" in the sense that they do not prevent the transaction from occurring, but they do alert the LFPC that the transaction did occur, which allows the LFPC to verify the transaction's propriety. This distinction is important because these profiles do not interfere with FS' ability to deal with emergencies, when users might reasonably need to charge more to their fleet credit cards than they would ordinarily.

FS Reviews of Fleet Operations

FS conducts several types of reviews which form the FS management review system.[12] The various elements of the review system are used to evaluate unit management, program management, and activity operations at various organizational levels and to identify management control weaknesses, and

[11] Maintenance purchases are authorized by USDA Regulation 5400-6; however, FS personnel are only authorized to use fleet credit cards for emergency maintenance of their vehicles. FS pays for routine vehicle maintenance through a separate system. Nonfuel transactions charged to these cards are discussed in Finding 2.
[12] *Forest Service Manual* (FSM) 1400, ch. 1410 – Management Reviews, dated April 13, 2005.

needed corrective actions. Specific objectives of these reviews are to provide management officials with reasonable assurance that:[13]

- Programs are efficiently and effectively carried out in accordance with applicable law and management policy;
- obligations and costs comply with applicable law;
- assets are safeguarded against waste, loss, unauthorized use, misappropriation; and
- revenues and expenditures applicable to agency operations are recorded and accounted for properly so that reliable financial and statistical reports may be prepared and accountability of assets is maintained.

Objective

The objective of our audit was to determine if prescribed controls over FS' vehicle maintenance and fuel costs were operating effectively to control and monitor such costs.

[13] FSM 1400, ch. 1410, dated April 13, 2005.

Finding 1

FS Needs to Perform Management Reviews of Fleet Credit Card Operations

Although FS' Washington Office performs periodic management reviews of fleet operations, it has not included fleet credit card operations within those reviews. This has occurred because the FS Washington Office has delegated the responsibility for overseeing fleet credit card operations to local level and regional level management, but has not followed up to ensure that local and regional managers are adequately overseeing fleet credit cards. As a result, FS' Washington Office was unaware that PCMS had not been fully implemented by the local and regional levels and was not functioning as a useful management control tool. Of the $48 million in transactions users charged to FS' fleet credit cards in FYs 2004 and 2005, we identified $3.7 million in unsupported expenses.[14]

FS regulations require that the agency perform periodic management reviews of fleet operations to determine the operational effectiveness of local and regional offices and the actions of staff at those locations.[15] Prudent management practice would dictate that all facets of operations at the various functional levels be included during any review of office operations.

FS has delegated the responsibility for overseeing fleet credit card transactions to its regional and local offices. Generally speaking, FS maintains a decentralized structure that tends to place authority in local offices instead of in Washington, D.C. (See exhibit B for a chart describing FS' organizational structure.) However, national management is still responsible for confirming that local and regional management exercise adequate oversight of the agency's resources.

We found that neither FS' Washington Office nor the regional offices were reviewing the agency's use of fleet credit cards. In terms of management reviews, the FS Washington Office and regional offices perform an "Activity Review," which evaluates an activity to determine if it is complying with all laws, regulations, and policies. In addition, they also conduct a review called the "Functional Assistance Trip." These trips are intended to assist units in implementing guidance, solving technical or operational problems, exchanging information, and surveying or reviewing needs. We found no

[14] These unsupported expenses are discussed in sections 2 and 3.
[15] FSM 1400, ch. 1410, dated April 13, 2005.

evidence that activity reviews or functional assistance trips had included fleet credit card operations.

When we asked officials at FS' Washington Office why they had not reviewed fleet credit card operations, they told us that they had delegated this task to officials at the regional level, but that they had not followed up to verify that these reviews were being performed. We found that regional offices were not performing meaningful reviews of fleet credit cards. Though FS' regional offices do perform a "Fleet Monitoring Trip," officials conducting these simply asked local managers if they were experiencing any problems with the fleet credit cards. Since local managers mentioned no problems, regional officials did not review any fleet credit card transactions. Regional officials generally felt that this superficial review was adequate.

Overall, we concluded that FS' management at the national and regional levels should be more actively overseeing fleet credit card operations. Because fleet credit card operations had not been reviewed, a number of problems developed and went undetected:

- PCMS had not been fully implemented and was not serving as an adequate control for fleet credit card transactions;
- $2.5 million out of $48 million was spent on nonfuel transactions with $1.3 million of that in "miscellaneous," "null," and "unassigned" transactions;
- $201,581 was spent above the cost of regular unleaded fuel with the purchase of $3.8 million in prohibited fuels;[16] and
- $2.1 million out of $48 million was charged to extra fleet credit cards unassociated with any particular vehicle.

To prevent problems of this nature from reoccurring, FS should review fleet credit card operations as part of its ordinary oversight of fleet operations.

Recommendation 1

Include a review of fleet credit card transactions within FS' Activity Reviews, Functional Assistance Trip Reviews and Fleet Monitoring Trips.

[16] Users purchased $3.8 million in premium or mid-grade fuel which increased their total fuel expenditures by $201,581 above the cost of regular unleaded fuel.

FS Response.

We will establish direction for reviews covering fleet management activities that include review of fleet credit card transactions in the FSM. The estimated completion date is September 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 1. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by September 30, 2007.

Section 2. FS Controls Over Fleet Credit Cards Need Strengthening

FS lacked adequate controls over the $48 million users charged to their fleet credit cards during FYs 2004 and 2005. Although the agency did have PCMS in place and was relying on it as a control, we found several problems with how PCMS had been implemented.

First, users of FS fleet credit cards were not required to keep receipts for nonfuel purchases, nor were they required to record odometer readings when they purchased fuel. These two controls serve as the foundation for meaningful oversight of these purchases. Second, LFPCs and AFPCs were not using many of the controls PCMS offers: they were not establishing reasonable profiles on each fleet credit card to alert them of unusual spending; they were not running reports to identify unusual transactions; and they were not opening and resolving the alerts that PCMS did generate. In general, we found that this occurred because FS regarded oversight of fleet credit cards as a low priority and did not provide guidance to LFPCs and AFPCs on how to best use PCMS.

Due to these control weaknesses, FS was unaware of several problems with how these fleet credit cards were being used. Users of FS fleet credit cards charged $2.5 million in nonfuel transactions, of which $1.3 million was categorized as "miscellaneous," "null," and "unassigned,"[17] and $201,581 above the cost of regular unleaded fuel when $3.8 million in prohibited premium and mid-grade fuels was purchased.[18]

The Office of Inspector General (OIG) maintains that if PCMS is fully implemented by FS—and if LFPCs and AFPCs are trained to use the system—it can serve as an adequate control for overseeing usage of FS' fleet credit cards.

[17] In the PCMS system, each transaction is categorized within fields, such as fuel and nonfuel. Under the nonfuel category are subcategories like "miscellaneous," "null," and "unassigned."
[18] Users purchased $3.8 million in premium or mid-grade fuel which increased their total fuel expenditures by $201,581 above the cost of regular unleaded fuel.

Finding 2

FS Needs to Strengthen Controls Over Fleet Credit Card Expenditures

We found that FS lacks adequate controls over fuel and nonfuel expenditures charged to its fleet credit cards. This has occurred because FS officials have regarded oversight of the $48 million in transactions on these fleet credit cards as a low priority. They have tended to see PCMS as an adequate control for these transactions even though they had not completely implemented the system and it is used inconsistently by LFPCs and AFPCs. We found that LFPCs and AFPCs were uncertain how to use PCMS, and had received little guidance. Due to this general lack of oversight, FS officials were unaware of problems with charges to fleet credit cards, including $2.5 million in nonfuel transactions.

The Federal Manager's Financial Integrity Act requires that agencies establish controls that reasonably ensure that obligations and costs comply with applicable laws; assets are safeguarded against waste, loss, unauthorized use or misappropriation; and revenues and expenditures are properly recorded and accounted for.[19] PCMS is the automated system used to capture this information for FS personnel to use.

We found, however, that FS had not fully implemented PCMS, that several of the critical controls it offers were not being used to their full effect, and that FS was not in compliance with Departmental regulations regarding how PCMS should be used.

Strengthening FS' controls over fleet credit card expenditures is a two-step process. First, FS must require that those employees using its fleet credit cards retain adequate receipts for all nonfuel transactions and enter odometer readings at the pump when fueling their vehicles. Requiring employees to enter odometer readings and retain receipts are fundamental tasks for control over these expenditures, as without this information any other review will be meaningless. Second, FS must fully implement PCMS and ensure that LFPCs and AFPCs are trained to make full use of this system. This includes establishing reasonableness profiles for fleet credit card use, requiring that LFPCs run periodic reports to identify unusual transactions, and requiring that LFPCs resolve all PCMS-generated alerts. Once fully implemented, OIG maintains that PCMS can serve as a control allowing LFPCs and AFPCs adequate oversight over FS' fleet credit card transactions.

[19] Public Law 97-255, sec. 2, dated September 8, 1982.

The following subsections deal with both fuel and nonfuel transactions because we found that FS' controls over both need strengthening. It is important to note, however, that fleet credit cards are primarily intended for purchasing fuel, and that PCMS is intended to serve as a complete accounting solution for these purchases. For repair and maintenance costs—the only permissible nonfuel expenditures—FS uses a different system.[20] Nonetheless, employees sometimes need to charge minor maintenance and repair costs (e.g., a quart of oil or windshield wiper blades) to their fleet credit card; in an emergency, they may even need to charge a more significant expense. USDA and FS permit these charges, and OIG agrees that these are reasonable expenditures. But nonfuel transactions are still a deviation from FS' intended use of the fleet credit card, and OIG maintains that they should be subject to a higher degree of accountability than ordinary fuel transactions.

<u>FS Needs to Require that Users of its Fleet Credit Cards Retain Documentation of Nonfuel Purchases</u>

Users of FS fleet credit cards were not required to maintain receipts for fleet credit card transactions charged during FYs 2004 and 2005. This occurred because FS Headquarters guidance instructed employees to not keep receipts for fleet credit card transactions. We found that employees—from senior management at the FS Washington Office to employees in the field—did not believe they were required to retain documentation for nonfuel purchases. Without these receipts, however, it is impossible for LFPCs to verify the propriety of any given nonfuel transaction. In FYs 2004 and 2005, we identified $2.5 million in nonfuel transactions that were charged to FS fleet credit cards with $1.3 million categorized as "miscellaneous," "null," and "unassigned" transactions.

Departmental regulations require that source documentation be maintained for repair and maintenance costs.[21] Without source documentation (receipts) for nonfuel (maintenance) purchases, FS cannot provide accurate data for their repair and maintenance costs on each vehicle.

We found that FS managers have not complied with this Departmental regulation. The FS official who provides guidance to AFPCs and LFPCs nationwide stated that FS employees were not required to retain receipts for fleet credit card transactions. He explained that the fleet credit card system was specifically designed to provide for the complete accounting and billing of fleet credit card transactions, and at the same time, eliminate the massive amount of paperwork field personnel had been

[20] Maintenance charges are to be paid through FS' working capital fund by a purchase card or a blanket purchase order. These expenses were previously reviewed by the Government Accountability Office (GAO), GAO – 03 – 786, "FS Purchase Cards – Internal Control Weaknesses Resulted in Instances of Improper, Wasteful, and Questionable Purchases," dated August 2003. Purchase cards were not reviewed as part of this audit.
[21] Agricultural Property Management Regulation, ch. 104, subchapter N – Property Management (§104-51.104).

required to maintain. The LFPCs we spoke to also believed that employees were not required to keep receipts. Although employees sometimes kept receipts for relatively expensive maintenance work (e.g., brake repair), we found that for the vast majority of transactions—especially small ones—receipts were not retained.

While PCMS can serve as an adequate control for fuel purchases—if it is fully implemented and LFPCs take advantage of the controls it offers them—OIG maintains that PCMS does not record specific information to determine the propriety for some categories of nonfuel purchases. Approximately 50 percent of the $2.5 million in purchases, or $1.3 million, are recorded in PCMS as "null," "miscellaneous," or "unassigned." These categories are too vague to determine the exact character of the transaction unless the user keeps a receipt. They could, in fact, be anything sold by a gas station or a convenience store.[22]

OIG visited two FS regions (Pacific Southwest (Region 5) and Southern (Region 8)) to verify the nonfuel transactions and obtain source documentation to support the purchases. Using the database, we judgmentally selected 80 nonfuel transactions for verification and review from the 2 regions representing 5 forests. The LFPCs were able to verify within the PCMS system that all 80 transactions were recorded; however, they could only provide receipts supporting the purchase for 11 of the 80 transactions.

To further illustrate the problem caused by not requiring fleet credit card users to retain receipts for nonfuel purchases, OIG queried all purchases for FYs 2004 and 2005. We found $56,612, out of $1.3 million in "miscellaneous," "null," and "unassigned" transactions (22,826 transactions), were for purchases under $5, including the following:

- On January 12, 2004, a card was charged a total transaction of $1.19, and the purchase was registered in PCMS as "null."
- On July 27, 2005, a card was charged for $.99, and the purchase was registered in PCMS as "miscellaneous." The total transaction amounted to $1.07.
- On July 27, 2004, a card was charged for $.99, and the purchase was registered in PCMS as "miscellaneous." The total transaction amounted to $.99.

[22] FS also tracks vehicle operation and maintenance of vehicles, by type, to determine "USE" rate. The USE rate is calculated by "keeping good records" of operation and maintenance costs on a per mile or per hour basis, including fuel, tires, lube and oil services, washing, mechanical inspections, and maintenance and repairs. If some of these charges were for unauthorized charges the USE rate would be affected.

- On January 14, 2005, a card was charged for $.99, and the purchase was registered in PCMS as "unassigned food and grocery." The total transaction amounted to $1.04.
- On December 2, 2004, a card was charged for $.99, and the purchase was registered in PCMS as "unassigned food and grocery." The transaction included 12 gallons of fuel for a total amount of $22.18.

These charges are small, of course, but FS at present has little to no control over them. OIG attempted to determine the propriety of these charges, but concluded that without documentation no determination could be reached. We did not find that LFPCs attempted to determine if these transactions were for allowable repair and maintenance costs. If they had attempted to do so, they would have been forced to rely on the fleet credit card user's verbal explanation.

Since FS does not require source documentation for all repair and maintenance purchases, as the Departmental regulation requires, we conclude that PCMS is not a complete accounting solution for nonfuel purchases. Without receipts for these purchases, FS has no controls in place to alert FS supervisors when employees may have purchased inappropriate items such as coffee, lunch, or a six pack of soft drinks—obviously all purchases that should not be made with their fleet credit cards. When we presented this problem to FS, a manager agreed. Based on the number of miscellaneous charges, he stated that it was "possible that the drivers are consuming meals at FS' expense."

Requiring employees to retain documentation for all nonfuel transactions will allow LFPCs to conduct meaningful reviews of the propriety of these transactions. It is important to reiterate that it is FS' policy that fleet credit cards are not intended to be used for nonfuel purchases, but for fuel. In other words, nonfuel charges to these fleet credit cards should be the exception. By requiring that users maintain receipts for exceptional, nonfuel charges, we believe that FS will greatly reduce the number of small, nonfuel transactions charged to its fleet credit cards.

<u>FS Needs to Require Users of its Fleet Credit Cards to Enter Odometer Readings When They Purchase Fuel</u>

When users purchase fuel with their fleet credit cards, they are prompted to enter the mileage from their vehicle's odometer. This information is crucial for reconciling the fuel purchased for the vehicle with the actual distance the vehicle has traveled. Without this data, FS cannot effectively determine if these fleet credit cards are being used fraudulently (i.e., for personal use). However, we found that employees rarely entered this information even though entering the actual mileage would have required no more time than bypassing the entry with "99999" or some similar number. This occurred because FS' policies and procedures do not require users to enter this information. Although some FS officials stated that they had instructed employees to enter mileage when they purchased fuel, they explained that they could not enforce their instructions as they are not the employees' supervisor. Without this information, PCMS cannot function as a complete accounting solution for fuel purchases, as the amount of fuel purchased cannot be reconciled with the distance the vehicle has traveled.

Departmental regulations require that operational data (odometer readings) be entered into the pump when employees purchase fuel with their fleet credit cards.[23] FS' policies and procedures do not conform to this regulation and do not require that employees do so.

We found that PCMS often did not have a given vehicle's correct odometer reading recorded when fuel was purchased. Instead, PCMS records contained numbers like "99999" or "11111." For instance, we found that 1,857 fleet credit cards had values of "00000" entered for odometer readings at multiple trips to the pump. We concluded that these numbers meant that the user was entering random numbers to advance the purchase, rather than entering the vehicle's actual mileage.

Requiring that users enter correct odometer readings when they fuel their vehicles would greatly improve FS' control over fleet fuel expenditures. With this information, LFPCs could compare the mileage the vehicle traveled with the amount of fuel purchased, and then conclude if fuel expenses were reasonable. Moreover, requiring odometer readings would also help discourage users from making questionable charges.

OIG maintains that FS should require its employees to comply with Departmental regulations, especially since this additional control would be without any significant cost.[24] The system already prompts employees to enter this information at the pump, and entering the correct odometer reading rather than "99999" requires no additional effort.

In summary, meaningful odometer readings and receipts for nonfuel purchases are the foundation for any additional review of fleet credit card transactions. By requiring employees to enter odometer readings, FS would obtain much greater control over fleet fuel costs; likewise, by requiring employees to retain receipts for all emergency nonfuel transactions, FS would obtain much greater control over fleet nonfuel costs. These two improvements are the preconditions for fully implementing PCMS, as without them other reviews are difficult, if not impossible, to perform.

[23] Department Regulation 5400-6, dated February 28, 2002.
[24] FS could reasonably exempt employees purchasing fuel at those few vendors who do not have automated pumps.

The following three subsections detail improvements that can be made in PCMS once FS employees begin keeping adequate documentation of expenses charged to their fleet credit cards.

FS Needs to Require that LFPCs Establish Reasonable Spending Profiles for Each Fleet Credit Card

PCMS allows LFPCs to create a "profile" for each fleet credit card. These profiles establish parameters for how fleet credit cards should be used, but they are distinct from ordinary credit card limits. While a limit would prevent a fleet credit card from being used if the limit were exceeded, profile parameters would not prevent the charge. Instead, if the profile parameter were exceeded, PCMS would send an alert to the fleet credit card user's LFPC. The LFPC could then determine if the questionable charge was warranted. This is an important distinction for FS because its vehicles are often involved in life-threatening emergencies (such as forest fires). Drivers of FS vehicles might very well have justifiable reasons for, say, charging several tanks of fuel in a given day, even though such fuel usage would not be routine. Since profile parameters would not prevent charges in extraordinary circumstances, they are a useful way of monitoring fleet credit card use without interfering with FS' mission.

We found, however, that LFPCs were not establishing reasonable profile parameters for fleet credit card users. One senior FS manager told us that this had occurred because FS managers do not require LFPCs to set up these profiles, and feel that PCMS already generates too many alerts. We found, however, that AFPCs and LFPCs had received little or no guidance on how to use PCMS and were uncertain what the system could do. Some LFPCs also stated that they had difficulty setting up profiles, but we concluded that they were not familiar with the system and had not been trained to use it. Unless reasonable profiles are created, PCMS will not alert LFPCs of unusual transactions meriting additional review.

Departmental regulations state that agencies may establish authorization limits (profiles) on a card-by-card basis, including cost per fuel transaction, cost per maintenance transaction, number of daily transactions, price per gallon, or gallons per transaction.[25] FS does not require that LFPCs place profiles on fleet credit cards.

As a result, the system has not been "fine-tuned" to identify transactions meriting additional review. To illustrate this problem, our review

[25] Departmental Regulation 5400-6, dated February 28, 2002.

identified the following unusual transactions charged to FS fleet credit cards:

- Several fuel transactions were charged on the same card within a day, including an instance in which six transactions occurred within 5 minutes, each for 15 to 20 gallons of fuel. After we brought these transactions to the attention of FS officials, they referred the matter to their investigative unit.

- Charges were recorded to fleet credit cards in excess of the vehicle's fuel tank capacity, such as 34 gallons purchased for a car whose tank could hold only 16 gallons. OIG reviewed 1,768 fleet credit cards assigned to three vehicle types and found that 100 of the 1,768 fleet credit cards were used to charge fuel beyond the vehicle's capacity.

- A Ford F450 regular cab maintenance truck with a tank capacity of approximately 40 gallons had 10 transactions with purchases in excess of 100 gallons each.

None of these charges prompted an alert in PCMS because LFPCs had not established reasonable profile parameters for the cards in question. Users may have had legitimate reasons for making these purchases, but OIG maintains that FS' controls should be strong enough so that LFPCs can review these transactions and determine their propriety. This could be accomplished by setting—for a vehicle with a fuel tank capacity of 16 gallons—the maximum number of gallons purchased parameter to 17. If this parameter were exceeded, then the LFPC would be alerted and could review the transaction. At present, these parameters often default to "999." The default setting allows the user to purchase almost any amount of fuel without an alert being generated.[26]

<u>FS Needs to Require that LFPCs Run Periodic Reports of Fleet Credit Card Expenditures</u>

PCMS permits LFPCs to run reports on fleet credit card transactions using the Discoverer data query tool.[27] This data tool allows LFPCs to search all transactions charged to fleet credit cards and isolate unusual charges for review. We found, however, that LFPCs and AFPCs were not using this tool and were not running regular searches. This occurred because FS does not require LFPCs and AFPCs to run regular reports and identify questionable transactions, and these officials had received little or no guidance on how to use the Discoverer data query tool to

[26] The default setting for a fuel transaction is $999.99, which means that any single fleet credit card transaction could be charged up to this amount, with a total of 99 transactions in 1 day. The default setting for maintenance charges is $999,999.99.
[27] Discoverer, a software query tool, used to run reports on PCMS, a database.

review PCMS. They were thus unaware of the problems we identified, including employees purchasing $3.8 million in prohibited fuels.

Departmental regulations require AFPCs and LFPCs to monitor fleet credit card transactions through PCMS' alert system, statistical sampling, and the data query tool software.[28]

We found, however, that FS did not issue policies or regulations requiring LFPCs to use the data query tool to run reports of transactions in PCMS. When we spoke to APFCs and LFPCs about the data query tool, they informed us that they were not regularly using this resource. Some informed us that they had not been trained to run data queries using the tool.

We concluded that FS should take steps to incorporate queries using the Discoverer data query tool into AFPCs and LFPCs' routine monitoring of fleet credit card transactions. These steps should include determining what sort of anomalous transactions should be searched for and how often; requiring that AFPCs and LFPCs run these searches at appropriate intervals; and providing any training necessary to perform these queries.

FS Needs to Require that LFPCs and AFPCs Resolve all Alerts Generated by PCMS

One of PCMS' most important control functions is to generate alerts when users make questionable charges to their fleet credit cards. LFPCs are then expected to review these charges to determine if they were appropriate. We found, however, that of the 902 alerts PCMS generated in FYs 2004 and 2005, LFPCs did not open, review, or resolve 616 alerts, or 68 percent (see exhibit C). FS managers did not notice this deficiency, primarily due to FS' decentralized organizational structure and LFPCs' position within that structure. LFPCs' immediate supervisors—usually the overall supervisor of local forest operations—are generally more focused on the daily operations of the forest than on overseeing the ancillary duties of LFPCs. AFPCs, who might reasonably be expected to verify that these alerts are resolved, are not immediately responsible for LFPCs and their work. Thus, no one in LFPCs' direct chain of supervision holds them accountable for resolving these alerts. In addition, we found that AFPCs and LFPCs had received little or no guidance on how to use PCMS. Routinely failing to resolve these alerts means that PCMS cannot provide the intended control over transactions charged to fleet credit cards.

[28] Departmental Regulation 5400-6, dated February 28, 2002.

Departmental regulations require that AFPCs and LFPCs monitor fleet credit card transactions through PCMS' alert system.[29] There are two types of alerts generated by PCMS—statistical samples and user-generated alerts. Statistical samples are generated randomly to create a broad, statistical overview of transactions. User-generated alerts are prompted by the values set in users' fleet credit card profiles, or by using the card at an inappropriate vendor such as a liquor store or a casino. As we have discussed above, however, FS has not established profiles for fleet credit cards, which means that PCMS is generating few user-generated alerts.

Since fleet credit card transactions are not individually reconciled, PCMS alerts LFPCs of questionable charges to help prevent fraud, waste, and abuse. For instance, if a user attempts to use a fleet credit card at an inappropriate vendor—e.g., a liquor store—PCMS' alert system would notify the LFPC of this potentially inappropriate transaction. As part of their day-to-day activities, LFPCs should open the message, research the transaction to determine if it is appropriate, and then resolve the alert by entering explanatory details into the system. AFPCs are charged with overseeing the resolution of these alerts, and dealing with alerts that have not been resolved in 30 days.

We found, however, that 68 percent of these alerts were never opened, reviewed, and resolved. We also determined that only 6 percent of the user-generated alerts were opened and commented on (see exhibit C). One of the reasons why LFPCs have not resolved more of these alerts is that, at present, their means of researching questionable transactions is limited. As we have already noted earlier in this finding, users do not maintain receipts for nonfuel transactions and seldom enter odometer readings at the pump for fuel transactions. Without this information, LFPCs cannot reconcile nonfuel transactions to receipts, or fuel transactions to odometer readings. Given their lack of meaningful options for researching PCMS-generated alerts, it is not surprising that they would accord this activity a low priority.

To illustrate this point, we found that one vendor performed regular maintenance on FS vehicles but routinely recorded the charges for this vehicle as marine fuel. We identified this as an unusual charge because marine fuel would not ordinarily be used in a truck and the fuel quantity purchased was as much as 293 gallons. The LFPC responsible for this vehicle could have created a profile to send an alert if an unusual amount of fuel was charged for these vehicles. Since a profile was not established, PCMS sent no alert and the LFPC did not review these transactions.

[29] Departmental Regulation 5400-6, dated February 28, 2002.

Overall, we found that FS lacked adequate controls over fleet expenditures charged to its fleet credit cards, and that PCMS had not been fully implemented to serve as an accurate accounting system. In order to fully implement PCMS' alert system, FS should take steps to strengthen the controls that should serve as the foundation for any meaningful review of these transactions, including:

- Requiring users to maintain receipts for nonfuel transactions, and
- requiring users to enter odometer readings at the pump.

In addition, we concluded that FS must take steps to strengthen LFPCs and AFPCs' reviews of questionable transactions, including:

- Requiring LFPCs to set reasonable profile parameters for each fleet credit card,
- requiring that LFPCs run regular reports using the Discoverer data query tool to identify unusual transactions, and
- requiring LFPCs and AFPCs to resolve all PCMS-generated alerts.

Given FS' decentralized structure, this last step will mean requiring LFPCs and AFPCs to certify to their respective supervisors that all alerts have been resolved appropriately.

Recommendation 2

Issue a notice requiring that users of FS fleet credit cards maintain their receipts for nonfuel transactions. Users of FS fleet credit cards should be required to certify that they are aware of this requirement. If users fail to abide by this requirement, initiate corrective action, as appropriate.

FS Response.

We will issue a notice to all FS employees requiring users of FS fleet credit cards to collect and maintain their receipts for nonfuel transactions. The notice will include a process by which each employee will certify that they are aware of this requirement. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 2. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 3

Issue a notice requiring users of FS fleet credit cards to enter odometer readings when they purchase fuel. Users of fleet credit cards should be required to certify that they are aware of this requirement. If users fail to abide by this requirement, initiate corrective action, as appropriate.

FS Response.

We will issue a notice to all FS employees requiring users of FS fleet credit cards to enter odometer readings when they purchase fuel. This is a built-in requirement of the credit cards. An odometer reading must be entered in order to proceed with a transaction. This notice will include a process by which each employee will certify that they are aware of this requirement. The estimated completion date is June 30, 2007.

OIG Position.

We agree with the action taken. However, to reach management decision, FS needs to determine what corrective action will be taken, if an employee chooses not to enter a valid odometer reading instead of random numbers.

Recommendation 4

Issue a notice and instructions requiring LFPCs to create a profile for each fleet credit card, including parameters that will generate system alerts based on factors such as cost per fuel transaction, cost per maintenance transaction, number of daily transactions, and gallons per transaction.

FS Response.

We will issue a notice requiring LFPCs to create a profile for each fleet credit card with authorization limits for cost per fuel transaction, cost per maintenance transaction, number of daily transactions and gallons per transaction. These limits will not stop a purchase at the pump but will allow the LFPC or other agency official to receive exception type alerts/reports to verify these purchases. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 4. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 5

Issue a notice and instructions requiring AFPCs and LFPCs to run monthly reports (using PCMS' data query tool) to detect unusual transactions and use source documentation to determine the propriety of such transactions.

FS Response.

We will issue a notice and instructions requiring AFPCs and LFPCs to run monthly reports from PCMS, using Discoverer query tool, to detect unusual transactions, then determine the propriety of such transactions. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 5. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 6

Require LFPCs to read and clear all PCMS-generated alerts on a weekly basis and AFPCs to run monthly reports verifying alerts have been resolved. Require the AFPCs to contact the LFPCs' immediate supervisor for resolution of unresolved alerts.

FS Response.

We will issue a notice requiring LFPCs to read and clear all PCMS-generated alerts on a weekly basis; and requiring AFPCs to run monthly reports verifying alerts have been resolved and to follow up with appropriate action on unresolved alerts. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 6. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 7

Require the AFHC to run quarterly reports of PCMS-generated alerts and verify all alerts have been cleared. Require the AFHC to notify the AFPCs' immediate supervisor of all unresolved alerts within the region.

FS Response.

We will issue a notice requiring AFHC to run quarterly reports of PCMS-generated alerts and verify all alerts have been cleared and to follow up with appropriate action on alerts that have not been cleared. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 7. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Finding 3

Users of FS Fleet Credit Cards Purchased Prohibited Fuels

We found that users of FS fleet credit cards purchased 1,679,535 gallons of premium and mid-grade fuel in FYs 2004 and 2005 even though these fuels were prohibited both by Departmental and agency regulations. Fleet credit card users purchased these types of fuel because they were unaware of this prohibition. AFPCs and LFPCs did know of Departmental and agency regulations prohibiting the purchase of these fuels, but they did not take steps to enforce these regulations, either by notifying employees or by running data queries to detect prohibited fuel purchases. Ultimately, this occurred because FS did not effectively disseminate this requirement throughout the agency. Due to this lack of control over prohibited fuel purchases, FS fleet credit card users charged $3.8 million in prohibited fuels, an estimated $201,581[30] more than they would have spent had they purchased regular fuel.

Both FMR and USDA property management regulations prohibit the use of premium fuel, unless specifically required by the manufacturer.[31] FS officials confirmed that fleet credit card users are not allowed to charge premium and mid-grade fuels, and that this prohibition is included in FS regulations.[32] FS is also required to train employees on how to use their fleet credit cards

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[30] OIG calculation was based on the actual cost of purchasing a higher grade of fuel and subtracting the Department of Energy's national average, for this period in time, for the same quantity of unleaded regular fuel.
[31] FMR 102-34.335, and AGPMR, ch. 110-34, Motor Vehicle Management.
[32] *Forest Service Handbook* 7109.19, *Fleet Equipment Management Handbook,* amendment 7109.19-92-5, dated December 30, 1992.

correctly. As part of this training, employees should have been made aware of these regulations.[33]

We found, however, that FS fleet credit card users were not being trained concerning this issue and thus did not know they were prohibited from purchasing premium and mid-grade fuels and were using their fleet credit cards to purchase these more expensive fuels. To arrive at this conclusion, we first determined that FS does not use any vehicles that require premium or mid-grade fuel. Using the Discoverer data query tool, we then reviewed all FS fuel purchases for FYs 2004 and 2005, and identified 1,679,535 gallons of premium and mid-grade fuel purchased for approximately $3.8 million (see exhibit D).

To verify the validity of the data obtained from PCMS, we extracted a judgmental sample of prohibited fuel transactions. We then verified the transactions with the LFPC's we visited at the two FS regions (Pacific Southwest (Region 5) and Southern (Region 8)). We calculated the actual cost of purchasing a higher grade of fuel by subtracting the price for regular unleaded fuel (using national averages for the period in question) from what fleet credit card users actually paid. We determined that employees spent $201,581 more than they would have if they had purchased regular fuel.

When we asked FS employees why they had made these prohibited purchases, they told us that they were unaware they were not permitted to buy premium and mid-grade fuels. The AFPCs and LFPCs we spoke to were aware of these fuel regulations, but they did not know that fleet credit card users were making these purchases. Of the five LFPCs we spoke to, only one stated that she had trained employees in the proper use of their fleet credit cards. Her training guide did not mention the prohibition on purchasing premium and mid-grade fuels, nor did she provide employees with written documentation of this or the Departmental regulation, as she believes employees would just throw the documents away. In addition, AFPCs and LFPCs had not run database queries to identify these prohibited transactions, even though PCMS facilitates this sort of query. They thus had little control over purchases of prohibited fuels.

AFPCs and LFPCs stated that they felt that some vendors may have miscoded some of these transactions and that not all these purchases were made for prohibited fuels. They could not, however, provide documentation to support this assertion. FS does not require users of fleet credit cards to maintain receipts for fuel charged to their fleet credit cards. Without receipts, OIG could not completely evaluate this assertion. Although some of the transactions for prohibited fuels may have been related to vendor coding

[33] *OMB Circular* A-123, app. B.

error, the fact remains that these transactions occurred without being reviewed by the LFPC.

We also found that fleet credit cards were being used to purchase several types of fuel, even though fleet credit cards, according to Federal regulations, are assigned to only one vehicle.[34] In other words, fleet credit cards assigned to gas-operated vehicles were being used to purchase diesel fuel, and vice versa. We identified 3,877 fleet credit cards that were used to purchase multiple types of fuel, including:

- The fleet credit card associated with a vehicle that ordinarily purchases 2 to 8 gallons of regular gasoline was used to purchase 92 gallons of diesel;

- the fleet credit card associated with a vehicle that usually purchases diesel fuel was used to purchase 17 gallons of unleaded regular, then 29 gallons of diesel just a few minutes later.

We followed up to determine why these charges had been made. When we spoke to FS officials about these charges, they explained that these fleet credit cards were most likely being used to fuel vehicles that had (1) either another tank in the back of a truck, (2) another piece of equipment in the vehicle, or (3) another vehicle traveling with the card holder. These other vehicles, tanks, or pieces of equipment might require a different type of fuel. FS officials did not have any documentation to support this assertion, and FS regulations state that these additional tanks, vehicles, or pieces of equipment should be fueled using a pool credit card rather than a fleet credit card.[35]

FS officials believe, however, that this is an appropriate use of fleet credit cards because it is more convenient than requiring FS employees to carry multiple credit cards—one for each vehicle, extra tank, or piece of equipment. OIG maintains, however, that this practice weakens FS' controls over fleet credit card transactions for both the primary vehicle and the secondary piece of equipment. If fleet credit cards are used for both a vehicle and another piece of equipment, then it becomes impossible to reconcile the mileage the vehicle travels with the fuel the user has purchased. Moreover, given FS' present system, it is impossible to determine the purpose of the additional charges.

We concluded that FS needs to take steps to ensure that users of its fleet credit cards are not purchasing prohibited fuels. In addition, the agency

[34] Department Regulation 5400-6, dated February 28, 2002.

[35] EM 7130-4, ch. 4, dated December 1999. When FS purchases material, it can pay for those transactions either from its working capital fund, or from nonworking capital fund accounts. Pool credit cards can draw from either account. Project credit cards, however, can only draw from nonworking capital fund accounts. FS uses these two types of credit cards for different purposes. Our audit did not review these other credit cards, as they are distinct from fleet credit cards.

should also ensure that each fleet credit card is assigned to only a single vehicle, and that additional tanks and equipment are assigned to pool cards.

Recommendation 8

Immediately take steps to disseminate to all users of FS fleet credit cards the Departmental regulation prohibiting the purchase of premium and mid-grade fuels, unless required by the vehicle's manufacturer. Users should certify that they are aware of the prohibition.

FS Response.

We will issue a notice to all FS employees informing users of FS fleet credit cards of the Departmental regulation requiring FS to use the grade (octane rating) of fuel recommended by the motor vehicle manufacturer and not to use premium grade gasoline unless the motor vehicle specifically requires premium grade gasoline. The notice will include a process by which each employee will certify that they are aware of this regulation. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 8. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 9

Require LFPCs to perform a monthly data query to identify any fleet credit card used to purchase prohibited fuels and notify the card user of the prohibited activity.

FS Response.

We will issue a notice requiring LFPCs to perform a monthly data query to identify any fleet credit card used to purchase premium fuel, determine if the use of premium fuel was required by the vehicle, and, if not required, notify the card user of the prohibited activity. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 9. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 10

Immediately take steps to disseminate to all fleet credit card users the requirement that they use the fleet credit cards assigned to a vehicle only for that vehicle and the pool credit cards for any secondary pieces of equipment. Users should certify that they are aware of this requirement.

FS Response.

We will issue a notice to all FS employees informing users of FS fleet credit cards of the requirement that they use fleet credit cards assigned to a vehicle only for that vehicle, and the pool or other appropriate credit cards for any secondary pieces of equipment. The notice will include a process by which each employee will certify that they are aware of this requirement. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 10. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Recommendation 11

Require LFPCs to perform a monthly data query to determine if card users are purchasing several types of fuel with any given fleet credit card and follow up to ensure proper use of the card.

FS Response.

We will issue a notice requiring LFPCs to perform a monthly data query to determine if card users are purchasing several types of fuel with any given fleet credit card and follow up to ensure proper use of the card. The estimated completion date is June 30, 2007.

OIG Position.

We concur with the management decision for Recommendation 11. To achieve final action, FS needs to send OCFO/PAD documentation that the above-mentioned written guidance was complete by June 30, 2007.

Finding 4

FS Needs to Reconcile its Fleet Credit Cards to the Vehicles it Operates

We found that FS' listing of active fleet credit cards could not be reconciled to the agency's Equipment Management Information System (EMIS) inventory. Of the 24,120 active fleet credit cards FS listed, 4,520 cards (or 19 percent) could not be matched to any vehicle in EMIS. This occurred because FS has not inventoried its active fleet credit cards, nor has it reconciled those cards to the vehicles it actually operates. Of the 4,520 active fleet credit cards unassigned to any particular vehicle, users of FS fleet credit cards charged $2.1 million to 1,871 of these cards.

Federal regulations require that agencies assign one fleet credit card to each motor vehicle.[36] Fleet credit cards are considered accountable property, which means that a comprehensive inventory should be performed every other fiscal year and a limited inventory (consisting of a 10 percent sample) should be performed in the off years.[37]

We found, however, that FS' list of active fleet credit cards did not match the agency's EMIS vehicle inventory. To arrive at this conclusion, we compared the two listings as of September 30, 2005, and found that the number of fleet credit cards in one (24,120 active fleet credit cards) did not match the number of vehicles in the other (23,826 vehicles in EMIS). Using a data query tool, we eliminated duplications and equipment that should not have been issued a fleet credit card (e.g., trailers). We found that there were 4,520 active fleet credit cards not assigned to any particular FS vehicle. Of these 4,520 fleet credit cards, 2,649 had not been used to make purchases, but 1,871 had been used to purchase $2.1 million in fuel in FYs 2004 and 2005.

When we spoke to FS officials about this problem, we learned that they had not conducted an inventory of the agency's fleet credit cards. Although FS does inventory property such as vehicles according to its policies, officials stated that they had not followed their policies for fleet credit cards. They agreed that their inventory manual indicated that they should be performing inventories for fleet credit cards; however, they stated that they had never performed fleet credit card inventories. Even after we pointed out the potential for these cards to be used fraudulently, FS officials stated that the agency did not regard fleet credit cards as a sensitive item or perceive that a card inventory would be useful. Officials acknowledged that FS may need

[36] Departmental Regulation 5400-6, dated February 28, 2002.
[37] EM 7130-4, ch. 4, dated December 1999 and FSM 6400, ch. 6414.33.12.

stronger controls over these fleet credit cards, but they did not feel that a fleet credit card inventory was necessary.

OIG disagrees. These unassigned fleet credit cards are especially vulnerable to fraud, theft, and abuse, and FS will be held liable for any charges to lost and stolen fleet credit cards if those charges occur before the fleet credit card is reported missing. We identified the following suspicious transactions to unassigned FS fleet credit cards:

- One of these unassigned fleet credit cards charged 2,034 gallons of fuel over the audit time frame, for a total of $4,414. When we asked FS about this fleet credit card, we learned that this card had been lost and the tags and fleet credit card had been changed in EMIS.

- A second unassigned fleet credit card charged over $1000 in fuel; according to FS this fleet credit card was recorded incorrectly in the EMIS inventory system. After we brought this to their attention, they updated their system with the correct fleet credit card number.

Moreover, the USDA regulation is clear.[38] Items with a value of $5,000 or more are considered accountable property and should be inventoried. Since FS' fleet credit cards were left at their default credit limit setting, a fleet credit card user might be able to charge more than $5,000.[39] FS also identifies fleet credit cards as accountable property, which means that they should be inventoried.[40]

At the regions we visited, we reviewed unassigned fleet credit cards, and determined that Region 5 had 32 active cards that were charged $23,769 and that Region 8 had 24 active cards that were charged $27,144 (see Table).

Location	Active Cards	Excess Active Cards	Excess Active Cards With Charges	Expenditures to Excess Cards
Region 5 (Unit 3 and 8)	613	219	32	$23,769
Region 8	611	92	24	$27,144
Nationwide	24,120	4,520	1,871	$2,127,722

Local LFPCs had not reviewed these fleet credit cards, nor had they performed an inventory to determine if they had any unassigned fleet credit cards. After reviewing these fleet credit cards with the LFPCs, we concluded

[38] AGPMR-N, sec. 104-50.001-1, dated September 1997.
[39] The default setting for fuel transactions is $999.99, which means any single transaction could be up to this amount with a total of 99 transactions in a given day. The default transaction for a maintenance charge is $999,999.99.
[40] EM 7130-4, ch. 4, dated December 1999.

that some fleet credit cards had been issued to rental vehicles and never cancelled; other fleet credit cards had been assigned to vehicles that were sold; still other fleet credit cards or vehicle tags had been lost, and new matching pairs were issued, but EMIS was not updated to reflect the changes.

Nationwide, there are a number of other possible explanations for why these 4,520 fleet credit cards were not assigned to any particular vehicle in FS' inventory. FS Headquarters stated that these differences could be explained by the fact that motorcycles, all-terrain vehicles, and other similar vehicles are financed differently, so they are not entered into EMIS, but they do have license plates and are assigned fleet credit cards. Additionally, some vehicles that are seized and used for law enforcement purposes have tags and fleet credit cards, but are not entered into EMIS.

OIG concluded that one of the benefits of regularly reconciling fleet credit cards with the vehicles FS operates is to record and document these special circumstances. Since these fleet credit cards are vulnerable to abuse and since they are accountable property, conducting an inventory of them (and canceling any that are truly excess) is reasonable. An accurate inventory of these fleet credit cards is fundamental to maintaining adequate control over how they are used.

Recommendation 12

Issue a notice requiring LFPCs to conduct an immediate inventory of active fleet credit cards and to reconcile the fleet credit card inventory with property inventories.

FS Response.

Recommendation number 12 was completed during the first quarter of FY 2007. Every fleet credit card was replaced in November and December 2006 (a 100 percent inventory of all fleet credit cards in the FS). Because of the dynamic character of the fleet (fleet vehicles and equipment are constantly removed and added to the property inventories), reconciling the fleet credit card inventory with property inventories is a continuous, ongoing activity.

OIG Position.

We concur with the issuance of the new fleet credit cards as having performed an immediate inventory of active fleet credit cards; however, we believe that a reconciliation of the fleet credit cards with the property inventories needs to be performed. In order to reach management decision, FS needs to present OIG with a method of reconciling the fleet credit card listing to the property inventories to ensure that only active assigned fleet credit cards are being utilized.

Scope and Methodology

Our audit covered FS' management and application controls over fleet credit card transactions from October 1, 2004, to September 31, 2005. Fieldwork commenced on December 5, 2005, at FS Headquarters with a completion date of August 29, 2006.

In order to identify potential internal control weakness in the oversight of fleet credit cards, we performed data mining and analysis of all FS fleet credit card transactions for FYs 2004 and 2005. The database we obtained and reviewed consisted of transactions totaling $48.1 million for this period, including 1,259,279 fuel transactions totaling $45.6 million, and an additional 110,941 nonfuel transactions totaling $2.5 million.

Through Microsoft Access queries, we performed various analyses of the databases to identify anomalous transactions. Nationwide we identified $3.8 million of the $45.6 million fuel transactions as charges for prohibited premium and mid-grade fuel.

Based on the results of our data mining, we selected two regional offices and reviewed detailed documentation to verify our results. Specifically, we selected the FS Southern Regional Office (Region 8) in Atlanta, Georgia, and the Pacific Southwest Regional Office (Region 5) in Vallejo, California. These two regional offices were selected because our analysis indicated they accounted for a large percentage of the premium and mid-grade fuel transactions (40 percent of the total prohibited fuel by dollar value) and had a high percentage of nonfuel transactions (30 percent of the nonfuel transactions categorized as "miscellaneous," "unassigned," and "null"). Additionally, these two regional offices accounted for about 58 percent of the total number of unresolved PCMS-generated alerts during FYs 2004 and 2005.

We also obtained a copy of FS' vehicle inventory system and compared that inventory to its listing of active fleet credit cards (both as of September 2005). Using Audit Command Language, we identified a discrepancy between the number of vehicles FS lists and the number of active fleet credit cards it maintains. We verified this discrepancy with regional and local personnel for the regions visited.

At the FS Headquarters, we conducted interviews to assess the office's oversight of fleet operations, specifically vehicle fuel and maintenance costs. We also discussed how the Headquarters' staff reviews fleet operations, and how it monitors regional and local offices' compliance with Departmental regulations. The same issues were discussed at the regional and local offices.

At the local level we discussed and verified our data mining results, identified and interviewed the staff responsible for fleet credit card oversight, evaluated available documentation to support transactions charged to fleet credit cards, and evaluated the effectiveness of internal controls over fleet credit cards. In addition, we gathered available documentation to support any internal reviews and compensating controls.

We performed fieldwork at FS Headquarters, as well as two regional offices and the seven local field offices.[41] We judgmentally selected samples of transactions from the database to verify with regional and local personnel and records to confirm the conclusions reached through our database analyses.

The audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, the audit included such tests of program and accounting records as considered necessary to meet the audit objective.

[41] The regional offices included Southern Region (Region 8) and Pacific Southwest Region (Region 5). The local offices included Cleveland, TN (Cherokee National Forest); Asheville, NC (NC National Forests); Gainesville, GA (Chattahoochee and Oconee NF); Willows, CA (Mendocino NF); Placerville, CA (Eldorado NF); Atlanta, GA (Region 8 Headquarters); and Vallejo, CA (Region 5 Headquarters).

Exhibit A – Summary of Monetary Results

FINDING NUMBER	DESCRIPTION	AMOUNT	CATEGORY
2	Null, Miscellaneous, Unassigned Expenditures Unsupported	$1,341,627	Questioned Costs/Loans, No Recovery
3	Prohibited Fuels Purchased Unsupported	201,581	Questioned Costs/Loans, No Recovery
4	Fleet Credit Cards Not Reconciled to Vehicle Inventory	2,127,722	Questioned Costs/Loans, No Recovery
	Total	$3,670,930	

Exhibit B – Organizational Chart

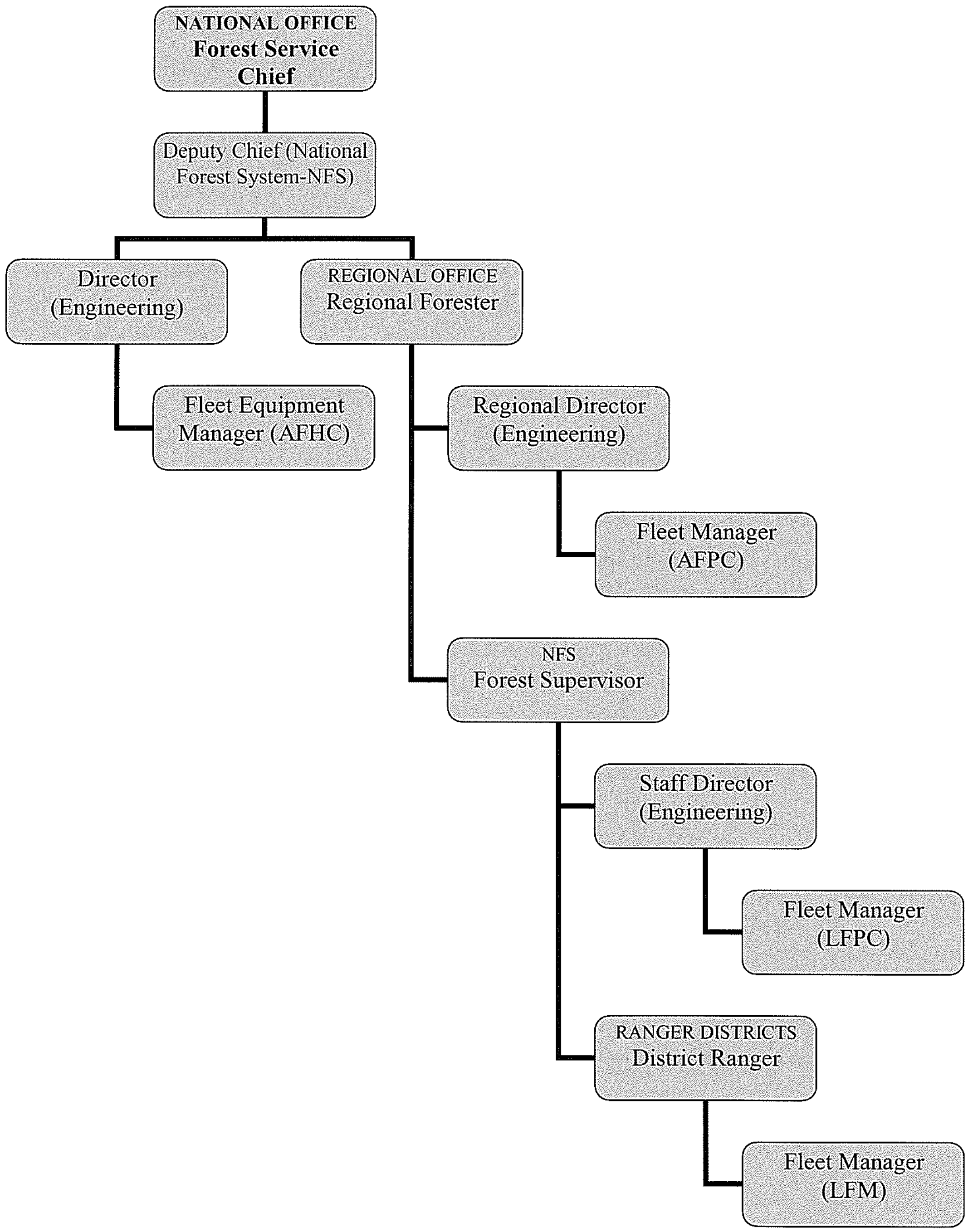

Exhibit C – User and Statistical Messages

Region	User Alert Messages Read	User Alert Messages Unread	Statistical Messages Read	Statistical Messages Unread	Total Read Messages	Total Unread Messages	Total Messages
1	0	2	5	36	5	38	43
2	13	57	22	37	35	94	129
3	0	10	13	43	13	53	66
4	1	0	41	0	42	0	42
5	1	251	19	84	20	335	355
6	2	4	56	16	58	20	78
8[42]	0	2	65	25	65	27	92
9	4	16	30	24	34	40	74
10	0	0	1	1	1	1	2
Research/ Experiment Stations	0	0	13	8	13	8	21
Subtotal	21	342	265	274	286	616	902
Total Messages		363		539		902	
Percentage	6%	94%	49%	51%	32%	68%	

[42] Region 7 does not exist.

Exhibit D – Premium and Mid-Grade Fuel Purchases

Region	Premium Fuel Sales	Mid-Grade Fuel Sales	Total Prohibited Fuel Sales
1	$ 110,561.11	$ 256,129.45	$ 366,690.56
2	141,299.16	434,796.99	576,096.15
3	154,102.75	218,071.34	372,174.09
4	118,777.36	210,362.79	329,140.15
5	410,190.20	519,874.98	930,065.18
6	117,166.41	173,638.89	290,805.30
8[43]	207,929.59	382,788.00	590,717.59
9	100,839.08	146,649.71	247,488.79
10	7,954.35	1,768.03	9,722.38
Experiment/Research Stations	27,312.32	54,265.75	81,578.07
Not Listed[44]	490.90	331.56	822.46
Total	$1,396,623.23	$2,398,677.49	$3,795,300.72

[43] Region 7 does not exist.
[44] Charges without a region assigned to the fleet credit card.

USDA United States Department of Agriculture | Forest Service | Washington Office | 1400 Independence Avenue, SW Washington, DC 20250

File Code: 1430 **Date:** MAR 26 2007
Route To:

Subject: Response to Office of Inspector (OIG) Official Draft Audit Report No. 08601-03-TE, "Controls Over Forest Service Vehicle Fuel and Maintenance Costs"

To: Robert W. Young, Assistant Inspector General for Audit
Office of the Inspector General, USDA

Thank you for the opportunity to review and comment on the draft OIG Audit Report No. 08601-03-TE. The Forest Service concurs with the recommendations in the report and believes the resulting actions will improve oversight and controls over the fleet credit card transactions. Enclosed are the proposed corrective actions to reach management decision. If you have technical questions, please contact Michael D. Harper, National Program Manager for the Fleet Management Program, at 703-605-4520. If you have any other questions, please contact Sandy T. Coleman, Assistant Director for GAO/OIG Audit Liaison Staff, at 703-605-4699.

Jesse L King

JESSE L. KING
Chief Financial Officer

Enclosure

cc: Michael Harper

USDA Forest Service (FS)

Office of Inspector General (OIG) Audit Report No. 08601-03-TE
Controls Over FS Vehicle Fuel and Maintenance Costs

Forest Service (FS) Response to the Official Draft

OIG Recommendation 1: Include a review of fleet credit card transactions within FS' Activity Reviews, Functional Assistance Trip Reviews and Fleet Monitoring Trips.

FS Response to Recommendation No. 1: We will establish direction for reviews covering Fleet Management activities that include review of fleet credit card transactions in the Forest Service Manual (FSM).

Estimated Completion Date for Recommendation 1: September 30, 2007

OIG Recommendation 2: Issue a notice requiring that users of FS fleet credit cards maintain their receipts for non-fuel transactions. Users of FS fleet credit cards should be required to certify that they are aware of this requirement. If users fail to abide by this requirement, initiate corrective action, as appropriate.

FS Response to Recommendation No. 2: We will issue a notice to all FS employees requiring users of FS fleet credit cards to collect and maintain their receipts for non-fuel transactions. The notice will include a process by which each employee will certify that they are aware of this requirement.

Estimated Completion Date for Recommendation 2: June 30, 2007

Page 1 of 5

__OIG Recommendation 3__: Issue a notice requiring users of FS fleet credit cards to enter odometer readings when they purchase fuel. Users of fleet credit cards should be required to certify that they are aware of this requirement. If users fail to abide by this requirement, initiate corrective action, as appropriate.

__FS Response to Recommendation No. 3:__ We will issue a notice to all FS employees requiring users of FS fleet credit cards to enter odometer readings when they purchase fuel. This is a built-in requirement of the credit cards. An odometer reading must be entered in order to proceed with a transaction. The notice will include a process by which each employee will certify that they are aware of this requirement.

__Estimated Completion Date for Recommendation 3:__ June 30, 2007

__OIG Recommendation 4__: Issue a notice and instructions requiring LFPCs to create a profile for each fleet credit card, including parameters that will generate system alerts based on factors such as cost per fuel transaction, cost per maintenance transaction, number of daily transactions, and gallons per transaction.

__FS Response to Recommendation No. 4:__ We will issue a notice requiring LFPCs to create a profile for each fleet credit card with authorization limits for cost per fuel transaction, cost per maintenance transaction, number of daily transactions, and gallons per transaction. These limits will not stop a purchase at the pump but will allow the LFPC or other agency official to receive exception type alerts/reports to verify these purchases.

__Estimated Completion Date for Recommendation 4:__ June 30, 2007

__OIG Recommendation 5__: Issue a notice and instructions requiring AFPCs and LFPCs to run monthly reports (using PCMS' data query tool) to detect unusual transactions and use source documentation to determine the propriety of such transactions.

__FS Response to Recommendation No. 5:__ We will issue a notice and instructions requiring AFPCs and LFPCs to run monthly reports from PCMS, using Discoverer query tool, to detect unusual transactions and then determine the propriety of such transactions.

__Estimated Completion Date for Recommendation 5:__ June 30, 2007

OIG Recommendation 6: Require LFPCs to read and clear all PCMS-generated alerts on a weekly basis and AFPCs to run monthly reports verifying alerts have been resolved. Require the AFPCs to contact the LFPCs' immediate supervisor for resolution of unresolved alerts.

Response to Recommendation No. 6: We will issue a notice requiring LFPCs to read and clear all PCMS-generated alerts on a weekly basis; and requiring AFPCs to run monthly reports verifying alerts have been resolved and to following up with appropriate action on unresolved alerts.

Note: Because of issues with the PCMS software, not all alerts can be flagged as resolved. It is not appropriate to contact the LFPCs' immediate supervisor until there is evidence that the LFPC is not performing the duties.

Estimated Completion Date for Recommendation 6: June 30, 2007

OIG Recommendation 7: Require AFHCs to run quarterly reports of PCMS-generated alerts and verify all alerts have been cleared. Require AFHC to notify the AFPCs immediate supervisor of all unresolved alerts within the region.

FS Response to Recommendation No. 7: We will issue a notice requiring AFHCs to run quarterly reports of PCMS-generated alerts and verify all alerts have been cleared and to following up with appropriate action on alerts that have not been cleared.

Note: Because of issues with the PCMS software, not all alerts can be flagged as resolved. It is not appropriate to contact the AFPCs' immediate supervisor until there is evidence that the AFPC is not performing the duties.

Estimated Completion Date for Recommendation 7: June 30, 2007

OIG Recommendation 8: Immediately take steps to disseminate to all users of FS fleet credit cards the Departmental regulation prohibiting the purchase of premium and mid-grade fuels, unless required by the vehicle's manufacturer. Users should certify that they are aware of the prohibition.

FS Response to Recommendation No. 8: We will issue a notice to all FS employees informing users of FS fleet credit cards of the Departmental regulation requiring us to use the grade (octane rating) of fuel recommended by the motor vehicle manufacturer and not to use premium grade gasoline unless the motor vehicle specifically requires premium grade gasoline. The notice will include a process by which each employee will certify that they are aware of this regulation.

Estimated Completion Date for Recommendation 8: June 30, 2007

OIG Recommendation 9: Require LFPCs to perform a monthly data query to identify any fleet credit cards used to purchase prohibited fuels and notify the card user of the prohibited activity.

FS Response to Recommendation No. 9: We will issue a notice requiring LFPCs to perform a monthly data query to identify any fleet credit cards used to purchase of premium fuel, determine if the use of premium fuel was required by the vehicle, and, if not required notify the card user of the prohibited activity.

Estimated Completion Date for Recommendation 9: June 30, 2007

Recommendation 10: Immediately take steps to disseminate to all fleet credit card users the requirement that they use fleet credit cards assigned to a vehicle only for that vehicle, and the pool credit cards for any secondary pieces of equipment. Users should certify that they are aware of this requirement.

FS Response to Recommendation No. 10: We will issue a notice to all FS employees informing users of FS fleet credit cards of the requirement that they use fleet credit cards assigned to a vehicle only for that vehicle, and the pool or other appropriate credit cards for any secondary pieces of equipment. The notice will include a process by which each employee will certify that they are aware of this requirement.

Estimated Completion Date for Recommendation 10: June 30, 2007

OIG Recommendation 11: Require LFPCs to perform a monthly data query to determine if card users are purchasing several types of fuel with any given fleet credit card and follow up to follow up to ensure proper use of the card.

FS Response to Recommendation No. 11: We will issue a notice requiring LFPCs to perform a monthly data query to determine if card users are purchasing several types of fuel with any given fleet credit card and follow up to follow up to ensure proper use of the card.

Estimated Completion Date for Recommendation 11: June 30, 2007

<u>OIG Recommendation 12</u>: Issue a notice requiring that LFPCs conduct an immediate inventory of active fleet credit cards, and to reconcile the fleet credit card inventory with property inventories.

<u>FS Response to Recommendation No. 12</u>: Recommendation number 12 was completed during the first quarter of FY 2007. Every fleet credit card was replaced in November and December of 2006 (a 100% inventory of all fleet credit cards in the Forest Service). Because of the dynamic character of the fleet (fleet vehicles and equipment are constantly removed and added to the property inventories), reconciling the fleet credit card inventory with property inventories is a continuous, ongoing activity.

<u>Estimated Completion Date for Recommendation 12</u>: Completed December 31, 2006