

DOCUMENT RESUME

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[Repairs Costs and Claim Settlement Procedures for Government Vehicles Involved in Accidents]. LCD-77-213; B-158712. April 28, 1977. 5 pp.

Report to Secretary, Department of Agriculture; by Henry Eschwege, Director, Community and Economic Development Div.

Issue Area: Facilities and Material Management (700) .

Contact: Community and Economic Development Div.

Budget Function: General Government: General Property and Records Management (804) .

Organization Concerned: Forest Service.

Authority: 4 C.F.R. 100.

Statistics relating to several civil and defense agencies' accidents and related repair costs showed weaknesses in reporting procedures and claims processing. One agency reviewed was region 9 of the U.S. Forest Service.

Findings/Conclusions: Region 9 forest supervisors did not always file claims against third parties responsible for accident damage to Government vehicles. As a result, regional safety and fiscal management offices did not have complete data on the number and cost of accidents. Recommendations: The Secretary of Agriculture should have the Chief of the Forest Service bring to the attention of all Forest Service regional offices the problem areas found in region 9; request the regional offices to examine their practices and procedures to determine whether similar situations exist; and take whatever action is appropriate in each case to insure that claims against responsible parties are collected and that accident reporting procedures are followed. The Department's Office of Audit should study other agencies in the Department to see if they are handling vehicle accident repairs and claims according to established procedures. (SC)



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

02326
COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-158712

APR 28 1977

The Honorable
The Secretary of Agriculture

Dear Mr. Secretary:

We have completed a study of repair costs and claim settlement procedures for Government vehicles involved in accidents. Our study--requested by Senator Sam Nunn--covered several civil and defense agencies. Among other matters, we (1) accumulated statistics on the number of accidents and related repair costs, (2) checked to see whether reports were being made to fully disclose the number of accidents and the significance of the reports, and (3) determined whether appropriate steps were being taken to recover the cost of repairing vehicles when third parties were at fault.

One agency we reviewed was the U.S. Forest Service, region 9, Milwaukee, Wisconsin. We observed several matters in need of correction. We are bringing them to your attention not only because you should be aware of the weaknesses in region 9's procedures and practices for reporting and processing claims resulting from vehicle accidents but, more importantly, because such weaknesses may exist in other Forest Service regions and in other agencies of the Department.

At June 30, 1976, region 9 owned 1,208 vehicles located at 14 forests in 20 States. During fiscal year 1976, these vehicles reportedly were involved in 109 accidents resulting in an estimated \$18,900 in damages to Government vehicles. Our review, conducted at the regional office and at some of the forest offices, showed that:

- Forest supervisors had not always filed claims against third parties responsible for accident damage to the Government vehicles.
- The regional safety and fiscal management offices did not have complete data on the number and cost of accidents because forest supervisors did not always report them as required by regulations.

LCD-77-213

Regional officials agreed with our findings, were receptive to our recommendations, and have promised corrective action.

FOREST SERVICE REPORTS NOT COMPLETE

The region's safety and fiscal management offices did not have a complete and accurate picture of the region's accident record and associated repair costs because foresters were not reporting all accidents to them.

Forest Service procedures require that forest units report each accident and the circumstances surrounding it to the regional safety officer when it occurs. The reports are used to evaluate the unit's safety performance and help develop accident prevention programs. The information is also to be included in semiannual reports sent to the regional fiscal management unit for use in compiling vehicle intra-agency rental rates charged to forest units.

During fiscal year 1976, incomplete data was sent to the safety officer and fiscal management unit, as shown below:

	<u>Number</u>	<u>Estimated or actual repair cost</u>
Accidents reported to the safety officer but not to fiscal management	25	\$4,300
Accidents reported to fiscal management but not to the safety officer	<u>33</u>	<u>3,700</u>
Total	<u>58</u>	<u>\$8,000</u>

In 51 other cases, accidents were reported to both parties as required by regulations.

The regional safety officer and fiscal management unit officials told us they would cross-check each other's records every 6 months to insure that their records were complete.

FOREST SUPERVISORS NOT COLLECTING CLAIMS

In some cases, forest supervisors did not initiate claims against third parties at fault in accidents which caused damage to Government vehicles. Internal reports did not disclose this situation and need to be modified.

Federal regulations (4 CFR 100) require agencies to collect claims on a timely basis. U.S. Forest Service, region 9, instructions authorize forest supervisors to process claims and attempt collection if claims do not exceed \$2,000. They may terminate or waive collection efforts if claims do not exceed \$400. The regional office handles claims exceeding \$2,000 and may waive claims exceeding \$400.

In this regard we note that the Federal claims collection standards require that, before uncollected claims of less than \$400 are terminated, they should be referred to the Department of Justice if (1) referral is important to a significant enforcement policy or (2) the debtor has the clear ability to pay the claim and the Government can effectively enforce payment.

We reviewed data on five accidents that appeared to have been caused by third parties. For two accidents involving \$1,414 in damages, the forest supervisor made partial recovery and we believe the settlements were reasonable. For the other three accidents, no effort had been made to collect about \$3,027 in damages, as described below.

--On January 21, 1976, a third party caused about \$877 in damages to a Government vehicle. Two days later, the party's insurance company offered a check (amount unknown) in settlement. The forest supervisor refused the offer because he had not received any damage estimates. After getting the damage repaired, the forest supervisor did not file a claim against the third party because the case file had not been forwarded from the personnel office to the fiscal management office so it could establish a collection claim.

--On November 26, 1975, a third party caused about \$950 in damages to a Government vehicle. The forest unit's administrative officer could not explain why no collection action had been taken.

--On June 16, 1976, a third party caused about \$1,200 in damages to a Government vehicle. On December 2, 1976, the forest unit's administrative officer said that he did not know why a bill to recover the damages had not been sent to the third party.

The administrative officer at each of the three forest units said he would attempt to collect the repair costs from the responsible party.

Regional office internal reports did not highlight efforts or shortcomings on the part of forest supervisors in processing and collecting claims against third parties. Forest supervisors are required to report accident repair costs to the regional office semiannually, but the reports are not designed to show how much of the costs should be recovered from responsible parties.

After we discussed the above cases with regional officials, they asked the forest supervisors to review all motor vehicle accidents reported during fiscal years 1975 and 1976 to see if additional claims should be processed and/or collected. The officials said they would (1) re-emphasize to the forest supervisors their responsibility to process and collect claims and (2) consider requiring that the forest supervisors' semiannual reports on repair costs show amounts due from third parties.

RECOMMENDATIONS

We recommend that you have the Chief of the Forest Service

- bring the matters discussed in this letter to the attention of all Forest Service regional offices,
- request the regional offices to examine their practices and procedures to determine whether similar situations exist in their offices, and
- take whatever action is appropriate in each case to insure that claims against responsible parties are collected and accident-reporting procedures are followed.

In addition, we recommend that you have the Office of Audit study other agencies in the Department to see if they are handling vehicle accident repairs and claims according to established procedures.

We would appreciate being advised of any actions planned or taken with respect to our recommendations. Also, as you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Committees mentioned above and to Senator Nunn. We are also sending copies to the House Committee on Agriculture; the Senate Committee on Agriculture, Nutrition, and Forestry; your Assistant Secretary for Administration; the Chief of the Forest Service; and the Directors of the Offices of Audit and of Operations.

We appreciate the cooperation and courtesy extended by Department officials during our review.

Sincerely yours,

A handwritten signature in cursive script that reads "Henry Eschwege".

Henry Eschwege
Director