

August 29, 2000

JOHN M. NOLAN  
DEPUTY POSTMASTER GENERAL

SUBJECT: Transmittal of Audit Report - Use of Chauffeur-Driven Vehicles by Postal Service Executives (Report Number TR-AR-00-010)

This report presents the results of our audit of the use of chauffeur-driven vehicles by Postal Service executives. Our audit disclosed over 520 instances involving nine executives where official vehicles and chauffeurs were improperly used.

We recommended that the deputy postmaster general provide control and oversight over the use of administrative vehicles to ensure compliance with federal law and postal policy; reissue guidance emphasizing that chauffeurs are not authorized for field locations and are to be used only for official headquarters functions; and ensure development and use of daily logs that capture all of the information required in management instruction FM-530-95-1.

Management agreed with our recommendations and the actions taken or planned should correct the issues discussed in this report. Management's comments, in their entirety, are included in the appendix.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions, please contact Joseph Oliva, director, Transportation, or me at (703) 248-2300.

Debra S. Ritt  
Acting Assistant Inspector General  
for Business Operations

Attachment

cc: Richard J. Strasser Jr.  
Jayne E. Schwarz  
John R. Gunnels

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## EXECUTIVE SUMMARY

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### Introduction

This report presents our findings regarding the use of chauffeur-driven vehicles by Postal Service executives (Project Number 00PA024TR000). This audit was initiated based on an Office of Inspector General investigation that disclosed one executive inappropriately used an official vehicle and chauffeur. The purpose of this audit was to determine if other similar instances of improper use of vehicles and chauffeurs occurred.

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### Results in Brief

Our audit disclosed over 520 instances involving one field and eight headquarters executives where official vehicles and chauffeurs were improperly used. Approximately 460 of the 520 instances were attributed to one field executive who used the vehicle from June 1996 to October 1998. The remaining instances occurred at headquarters between June 1998 and February 2000. Although federal law and policy restrict the use of vehicles and chauffeurs to official business, the nine executives used vehicles and chauffeurs to travel between home and office. These misuses continued for prolonged periods because controls over vehicle use were either inadequate or nonexistent. These control weaknesses also prevented us from determining the extent to which vehicles and chauffeurs may have been misused in the field.

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### Summary of Recommendations

Because the issues identified are potential violations of federal law, we believe stronger controls should be implemented to minimize the risk that vehicles could be misused, and to more easily identify misuse if it occurs. Specifically, we recommend that the deputy postmaster general provide control and oversight over the use of administrative vehicles to ensure compliance with federal law and postal policy. We also recommend that the deputy postmaster general reissue guidance emphasizing that chauffeurs are not authorized for field locations and are to be used only for official headquarters functions. He should also ensure development and use of daily logs that capture all of the information required in management instruction FM-530-95-1.

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### Summary of Management's Comments

Management agreed with our recommendations and stated that that they would publish an updated management instruction emphasizing law and postal policy;

management's responsibility to enforce the proper use of vehicles; the responsibility of individual employees to comply with policy; and procedures for logging vehicle usage.

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**Overall Evaluation of  
Management's  
Comments**

Management's comments are responsive to our findings and recommendations. We believe that the actions, both taken and planned, should correct the issues identified in our report.

## INTRODUCTION

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### Background

Title 31 U.S. Code Section 1344 identifies individuals who are authorized to use official vehicles between their home and place of employment. Within the Postal Service, only the postmaster general is authorized such transportation. Other individuals may be provided transportation to and from home in certain situations when the trip is performed in conjunction with official travel. The law requires the heads of federal agencies to establish regulations and implementing instructions controlling transportation between home and work and to maintain logs and other records necessary to establish the official purpose of such transportation.

To ensure compliance with the law, on August 28, 1995, the Postal Service issued a management instruction<sup>1</sup> identifying officials by position authorized to use vehicles, establishing the conditions and circumstances for vehicle use, and identifying recordkeeping requirements. The management instruction also authorized the use of vehicles between fieldwork locations and home with proper approval. With respect to recordkeeping, the management instruction requires a daily log be maintained documenting the:

- Name and title of the operator.
- Circumstances necessitating home to work transportation.
- Name and title of the person authorizing home to work transportation.
- Date, location, destination, and duration of vehicle use.

In addition, Postal Service Headquarters provides chauffeurs to transport executives and the Board of Governors for official business. However, with the exception of the postmaster general, chauffeurs may not provide service between home and work.

At headquarters, the facilities services manager has responsibility for tracking and reporting vehicle and chauffeur use. In the field, vehicles are permanently assigned to executives and other field managers. The chief financial officer has overall responsibility for developing

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<sup>1</sup> FM-530-95-1, "The Use of Official Vehicles for Transportation Between Home and Work."

policies and procedures to ensure the Postal Service complies with federal laws on vehicle use.

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**Objective, Scope, and  
Methodology**

Our objective was to determine the extent to which executives were complying with law and postal policy governing the use of official vehicles and chauffeurs. To accomplish this objective, we conducted work at headquarters and four judgmentally selected postal areas—Great Lakes, Mid Atlantic, Southeast, and Southwest. We reviewed federal law and postal policies on use of vehicles and chauffeurs, interviewed Postal Service officials and chauffeurs, and analyzed headquarters transportation logs. Instances where transportation logs indicated the destination was home were matched to travel vouchers to determine if the trips were in conjunction with authorized travel. We did not interview executives who inappropriately used vehicles or chauffeurs. Instead, we forwarded this information to appropriate Postal Service officials under separate cover for appropriate administrative or disciplinary action.

Our audit was conducted from March through August 2000 in accordance with generally accepted government auditing standards and included tests of internal controls, as were considered necessary under the circumstances.

## AUDIT RESULTS

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### **Field Compliance with Federal Law and Policy on Vehicles and Chauffeurs**

Our audit disclosed one district manager used an official vehicle and chauffeur to drive between home and work for over two years. His chauffeur told us that, beginning in June 1996 and continuing until October 1998, he served as the "executive assistant" to the district manager. During this time, he routinely drove the district manager between his residence and office on a daily basis. The chauffeur also stated that, on occasion, he and the district manager made official stops in route to and from the office, but that daily service was provided regardless of whether such stops were made.

Such use violated both federal law<sup>2</sup> and policy<sup>3</sup> prohibiting home to work transportation. Further, according to 31 U.S. Code § 1349, employees willfully misusing vehicles shall be suspended for at least one month, or summarily removed from office. The use of a chauffeur was also in violation of postal policy because no such use had been authorized for officials at field locations.

We were unable to identify other instances of improper use because field managers did not always maintain the daily vehicle use logs required by postal policy. While, in some cases, vehicle time records<sup>4</sup> were maintained, a separate log reflecting information on destination, circumstances requiring home-to-work transportation or authorization for exceptions were not maintained. The lack of recordkeeping and oversight of vehicle use is a serious internal control weakness preventing the Postal Service from ensuring its compliance with federal law.

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### **Headquarters Compliance with Law and Policy on Vehicles and Chauffeurs**

Our audit also identified eight headquarters officers who were chauffeured between home and work on 63 occasions between June 1998 and February 2000. As shown by the following table, the number of chauffeured trips for each of the eight officers ranged from 1 to 41. Details regarding each of the 63 cases were provided to appropriate Postal Service officials under separate cover.

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<sup>2</sup> 31 U.S. Code §1344

<sup>3</sup> Management Instruction FM-530-95-1, "The Use of Official Vehicles for Transportation Between Home and Work," and the postmaster general's March 5, 1995, memorandum.

<sup>4</sup> Form 4570, Vehicle Time Record.

Executive	Number of Trips
1	1
2	1
3	1
4	2
5	4
6	6
7	7
8	41
Total	63

In 4 of the 63 instances, only the spouses of the executives were chauffeured from home to office. This was done even though the executives were not in a travel status. In addition to trips made by executives and their spouses, chauffeurs were used to deliver cakes and packages on at least 14 occasions.

As discussed above, willful noncompliance carries a penalty of at least a one-month suspension or removal from office. These violations were allowed to continue because controls over vehicle use were either inadequate or nonexistent. Although daily logs were maintained, circumstances supporting home to work transportation were not documented. Further, logs were not reviewed to ensure compliance with federal law and postal policy on vehicle use. Improved recordkeeping and greater oversight is needed to ensure the Postal Service complies with federal law and its own policies.

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**Recommendation**

Because the issues identified are potential violations of federal law, we recommend that the deputy postmaster general:

1. Provide control and oversight over the use of administrative vehicles to ensure compliance with federal law and postal policy.

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**Management's Comments**

Management agreed with our recommendation. They stated that they would publish an updated management instruction emphasizing law and postal policy; management's responsibility to enforce the proper use of vehicles; the responsibility of individual employees to

comply with policy; and procedures for logging vehicle usage.

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<b>Recommendation</b>	2. Reissue guidance emphasizing that chauffeurs are not authorized for field locations and are to be used only for official headquarters functions.
<b>Management's Comments</b>	Management agreed with our recommendation. They stated that they would address the issue in their updated management instruction.
<b>Recommendation</b>	3. Develop and enforce the use of daily logs that capture all of the information required in Management Instruction FM-530-95-1.
<b>Management's Comments</b>	Management agreed with our recommendation. They stated that policy concerning the use of vehicle logs would be included in their updated management instruction, and emphasized that it was the operating manager's responsibility to ensure compliance.
<b>Evaluation of Management's Comments</b>	Management's comments are responsive to our findings and recommendations. We believe that the actions, both taken and planned, should correct the issues identified in our report.

## APPENDIX. MANAGEMENT'S COMMENTS

FINANCE



August 2, 2000

ROBERT L. EMMONS

SUBJECT: Transmittal of Audit Report – Use of Chauffeur-Driven Vehicles by Postal Service Executives (Report Number TR-AR-00-DRAFT)

Mr. Nolan has requested that Finance provide a response to the subject revised draft audit report.

**Recommendation 1**—Provide control and oversight over the use of administrative vehicles to ensure compliance with federal law and postal policy.

- We agree with the recommendation to provide appropriate oversight and control of field administrative vehicles. To assist postal employees in complying with the law, we will update Management Instruction (MI) FM-530-95-1, *The Use of Official Vehicles for Transportation Between Home and Work*, by the end of this fiscal year. The updated MI will emphasize the following: (a) the law and postal policy, (b) management's responsibility to enforce proper use of vehicles, (c) individual employee responsibility to comply with the policy as a term of his or her employment, and (d) the process for logging vehicle usage information pertaining to both temporary and permanent administrative vehicle assignments.

**Recommendation 2**—Reissue guidance emphasizing that chauffeurs are not authorized for field locations and are to be used only for official headquarters functions.

- We agree with this recommendation. There are no chauffeurs, by job title, employed in field locations. Nevertheless, there are occasions when it is appropriate for drivers to take employees to meetings, such as where parking is limited, or there are time constraints. There are also occasions, particularly when taxis or limousines would otherwise be necessary, where it might be appropriate for employees to pick up visiting employees. These issues will be addressed in the MI.

**Recommendation 3**—Develop and enforce the use of daily logs that capture all of the information required in Management Instruction FM-530-95-1.

- We concur that daily logs should be maintained. This will continue to be included in the MI. It is the operating manager's job to ensure compliance with this policy.

  
Donna M. Peak  
Acting Vice President, Finance, Controller

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**Major Contributors to [REDACTED]  
This Report**