



Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
**Office of the State Auditor**

2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0601  
Telephone: (919) 807-7500  
Fax: (919) 807-7647  
Internet <http://www.osa.state.nc.us>

September 5, 2001

Mr. Lyndo Tippet, Secretary  
North Carolina Department of Transportation  
1 South Wilmington Street  
Raleigh, North Carolina 27611

Dear Secretary Tippet:

We received an allegation through the State Auditor's Hotline that the Department of Transportation's (DOT) Division of Highway's Operations Engineer for Division 12 in Shelby, NC was commuting to work in a state vehicle.

According to the Division 12 Operations Engineer, he was assigned a state vehicle while he was employed as the Resident Engineer in Hickory, NC. He said when he was promoted to the position of the Division 12 Operations Engineer in August 2000, he was transferred from the Hickory office to the Shelby office, approximately 40 miles away. He said DOT was unable to provide his full salary, therefore, the Division 12 Resident Engineer agreed to allow him to drive a state vehicle from Hickory to Shelby each day.

The Division 12 Operations Engineer stated he drove the vehicle from Hickory to Shelby each day and parked the vehicle at the Hickory office each night. He said he also used the vehicle to attend meetings at various locations. Although the Division 12 Operations Engineer said he rarely drove the state assigned vehicle for "commuting purposes", we considered any occasion when he drove his state assigned vehicle from the Hickory office to the Shelby office to be commuting.

The Division 12 Resident Engineer stated he approved the Division 12 Operations Engineer commuting in the state vehicle, since his position could not be completely funded at the time of his promotion. However, the Division 12 Resident Engineer said he did not intend for the commuting to continue for 8 months.

At the time of his promotion, the Division 12 Operations Engineer was responsible for both the Hickory office and the Shelby office. However, as of November 2000, the Division 12

Operations Engineer was no longer responsible for the Hickory office; therefore, he should not have been allowed to continue to commute in the state vehicle.

The Department of Administration Motor Fleet Management Regulations Manual states,

State-owned passenger-carrying vehicles shall be driven by state employees and used for official state business only. It shall be unlawful for any state employee to use a state-owned vehicle for any private purposes whatsoever. Commuting privileges approved by Motor Fleet Management (MFM) are not considered a private purpose. An employee with an individual permanently assigned vehicle may drive the vehicle to and from his/her home when one or more of the following conditions exist:

1. By virtue of his/her position, the employee is entitled to use the vehicle and is so approved by the secretary of the Department of Administration.
2. Employee's duties are routinely related to public safety or are likely to expose him/her to life-threatening situations.
3. Employee's home is his/her official workstation and the vehicle is parked at the home when not being used for official business.
4. State-owned vehicle is required for a trip the following workday and employee's home is closer to the destination than the regular work station, and the employee does not have to report to his/her regular work station before beginning the trip. Frequent occurrences of this situation would require MFM approval.
5. Temporary and agency-assigned vehicles may not be driven to an employee's home unless one of the above four conditions applies.

Employees who routinely drive any state-owned vehicle between their home and work station shall reimburse the state for mileage. Reimbursement shall be made by payroll deduction. The amount of reimbursement shall approximate the benefit derived from the use of the vehicle as prescribed by federal law at a rate established by Motor Fleet Management (MFM) and shall be for 20 days per month. Commuting privileges requires prior approval of MFM.

Currently, the rate established by MFM for non-elected employees is \$3 per day.

Mr. Lyndo Tippet, Secretary

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According to MFM, the Division 12 Operations Engineer has not been approved to commute in a state vehicle; therefore, it appears none of the conditions stated above apply to the Division Operations Engineer.

A review of the Division 12 Operations Engineer's mileage logs revealed he commuted from Hickory to Shelby a total of eight months. According to the Division 12 Resident Engineer, after we contacted him in July 2001 he instructed the Division 12 Operations Engineer to discontinue the practice of commuting in the vehicle. The Division 12 Operations Engineer commuted in the vehicle three days in July 2001. Therefore, we recommend DOT consult with legal counsel to determine if anyone should pay MFM \$489 (8 months x 20 days x \$3 per day)+(3 days x \$3 per day) for commuting fees as required by the MFM regulations.

We are presenting these findings for your review and written response. The purpose of the response is to allow you the opportunity to outline any corrective actions taken or planned. We request the delivery of your written response by September 20, 2001.

If you have any questions or wish to discuss this matter further, please contact us. We appreciate the cooperation received from your staff during our review.

Sincerely,

A handwritten signature in black ink that reads "Ralph Campbell, Jr." in a cursive style.

Ralph Campbell, Jr., CFE  
State Auditor

**Management letters and responses receive the same distribution as audit reports.**



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY  
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT  
SECRETARY

September 28, 2001

The Honorable Ralph Campbell  
State Auditor  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0601

Dear Auditor Campbell:

My staff has investigated the incident described in the draft management letter from your office. I appreciate the opportunity to respond.

I agree with the recommendations as outlined in your letter. The Division 12 Engineer has discussed this incident and the recommendations of the State Auditor's Office with the Division Operations Engineer, the employee involved. The employee has agreed to reimburse Motor Fleet Management in the amount of \$489.00 for commuting between Shelby and Hickory during the period of time indicated. As soon as payment is received from the employee, it will be transmitted to Motor Fleet Management.

Thank you for bringing this matter to my attention. If you need additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Lyndo Tippett".

Lyndo Tippett

LT:tp