



Ralph Campbell, Jr.
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

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March 11, 2002

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

Dear Secretary Tippett:

We received an allegation through the State Auditor's Hotline that a Division 5 Assistant Resident Engineer (Assistant Engineer) for the Department of Transportation's (DOT) Division of Highways in Durham, NC was commuting in a state vehicle without the proper approvals.

According to the Division 5 Resident Engineer (Resident Engineer), the Assistant Engineer was allowed to drive a state vehicle from the Granville County DOT Maintenance office to his permanent workstation in Durham, NC. The Resident Engineer stated the arrangement was made prior to her employment with DOT in June 1999. She said the Assistant Engineer retired in October 2001. Until that time, he was permitted to drive a state vehicle each day. The Resident Engineer said the Assistant Engineer was responsible for the I-85 project in Granville and Durham counties. According to the Resident Engineer, the Assistant Engineer would inspect the projects during his commute from the Granville County office to the Durham office.

According to the Deputy Division Engineer (Division Engineer), the Assistant Engineer was allowed to drive a state vehicle while inspecting projects. The Division Engineer said the arrangement was made "in the best interest of the state". He said the Assistant Engineer was told specifically he could not drive the vehicle home. However, the Division Engineer stated that an employee informed him, that the Assistant Engineer parked the state vehicle at his home. According to the Division Engineer, the Assistant Engineer's residence is approximately 5 miles from the Granville County office. The Division Engineer said he did not consider the Assistant Engineer commuting in a state vehicle since he was not allowed to park the vehicle at his personal residence.

Mr. Lyndo Tippet, Secretary
March 11, 2002
Page 2

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 workstation 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 workstation 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 and at the 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.”

A review of the Assistant Engineer’s mileage logs for the time period of April 1999 to October 2001 revealed the Assistant Engineer drove from Granville County to Durham each day. Although, the Assistant Engineer was responsible for the I-85 project between these two counties and periodically inspected this project, the Resident Engineer said there were time periods when the project was inactive.

According to the Assistant Engineer, his prior supervisor allowed him to drive a state vehicle from Granville County to Durham since he was responsible for the I-85 project and visited the site during his commute. The Assistant Engineer said he began driving the state vehicle in June 1998 when he was first assigned to the project. He said originally he drove the state vehicle from the Granville County office to the Durham office only, approximately 35 miles one way. However, he stated he later drove the state vehicle to his personal residence. The Assistant Engineer said at times he was required to visit the project in the evenings and on weekends. He said everyone in the

Mr. Lyndo Tippet, Secretary
March 11, 2002
Page 3

Durham office was aware he was driving a state vehicle home and was not required to pay a commuting fee. The Assistant Engineer said he was never told that he could not drive the vehicle home.

We determined the Assistant Engineer was commuting in a state vehicle from Granville County to the Durham office, his permanent workstation, and should have obtained MFM approval and been required to pay the commuting fee. Therefore, we recommend DOT reimburse MFM \$2,460 (41months x \$3 x 20days) for commuting fees as required by MFM regulations.

The Office of the State Auditor has received several complaints regarding DOT employees commuting in state vehicles without approval. Therefore, we recommend DOT reiterate the MFM commuting policy to all DOT employees to ensure compliance.

General Statute §147-64.6(c)(12) requires the State Auditor to provide the Governor, the Attorney General, and other appropriate officials with written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In accordance with this mandate, and our standard operating practice, we will provide copies of this management letter to the Governor, the Attorney General, the Director of the State Bureau of Investigation, and other appropriate officials.

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 March 26, 2002. If you have any questions or wish to discuss this matter further, please contact us. We appreciate the cooperation of your staff during our review.

Sincerely,



Ralph Campbell, Jr., CFE
State Auditor

RCjr/mfd

Management letters and responses receive the same distribution as audit report.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

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

LYNDO TIPPETT
SECRETARY

March 25, 2002

Mr. Ralph Campbell, Jr., CFE
Office of the State Auditor
20601 Mail Service Center
Raleigh, North Carolina 27699-0601

Dear Mr. Campbell:

I have reviewed your letter regarding an allegation that a Department of Transportation employee was commuting in a state vehicle without proper approval. My staff and I have investigated this allegation, and it has been discussed with the retired employee to determine when and why he was parking his assigned state vehicle at his home. We have also reviewed the vehicle logs.

The employee indicated that he and his supervisor agreed he would park the vehicle at the Granville County Maintenance Yard that was adjacent to one of the employee's assigned projects. This practice was in line with NCDOT policy at that time. It demonstrated a savings to the state by allowing the employee to begin work sooner and be more available to the work site.

According to the employee, he began parking the state vehicle at his home in February or March 1999. This decision was made by the employee and was not approved by his supervisor. Our investigation indicates the supervisor was not aware that the employee was parking his vehicle at his home.

The department's position in this matter is that the employee did not have permission to park his vehicle at his home. The employee began driving the state vehicle in June 1998; however, he did not begin parking this vehicle at home until February or March 1999. It is our recommendation that the department reimburse Motor Fleet Management for commuting fees from February 1, 1999 through October 1, 2001. Therefore, we recommend DOT reimburse Motor Fleet Management in the amount of \$1,920 (32 months x \$3 x 20 days) for commuting fees as required by MFM regulations.

I have instructed Chief Engineer of Operations Don Goins to ask all DOT managers to ensure that any of their employees commuting in a state vehicle are paying the \$3.00 per day commuting fee as required.

Mr. Ralph Campbell, Jr., CFE
March 25, 2002
Page 2

Please let me know if you are in agreement with this, and I will proceed with having a check prepared and forwarded to Motor Fleet Management.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyndo Tippett', written in a cursive style.

Lyndo Tippett

LT:jdg

cc: J. D. Goins, P.E., Chief Engineer - Operations