



Beth A. Wood, CPA
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.ncauditor.net>

February 26, 2009

Mr. Dee Freeman, Secretary
North Carolina Department of Environment and Natural Resources
1601 Mail Service Center
Raleigh, North Carolina 27699

Dear Mr. Freeman:

We received a complaint through the State Auditor's Hotline regarding a State-owned airplane operated by the North Carolina Department of Environment and Natural Resources (DENR) Division of Forest Resources. The plane is used in forest protection activities and allegedly was being kept at a privately-owned airstrip. We have completed our investigation and are presenting the following findings and recommendations for your review and written response.

A Forest Resources airplane was not readily available to a fill-in pilot when needed because it was being stored away from its assigned location

According to Forest Resources officials, plane "P-30" is assigned to Region 2, District 6 at the Lumberton airport. This airplane is used to search for and detect fires and assist in suppression activities. The North Carolina Forestry Services Manual Section 3140.13 states: "The Assistant Chief Pilot is responsible for assuring the readiness and availability of all assigned aircraft, facilities and equipment."

Based upon our review, we determined that, on August 18, 2007, P-30 was not readily available to a pilot from District 3 who was filling in for the pilot assigned to P-30 in District 6. According to the fill-in pilot (and confirmed with plane flight logs), he was flying to District 6 to assist in fighting fires in the eastern part of the state when he experienced problems with his assigned airplane's radio. He stated that he planned to land at the Lumberton airport and either use P-30 or exchange the radio from that plane with his malfunctioning radio. However, upon arrival at the Lumberton airport, the fill-in pilot was told that P-30 was not there but rather at a private airstrip in Rowland, approximately 10 to 12 nautical miles away.

The fill-in pilot said that he then flew to the Rowland airstrip, located the plane and replaced his radio with the radio from P-30. The pilot stated that "the plane being at the private airstrip did not seem like a big deal, so I did not give it much thought."

Mr. Dee Freeman, Secretary

February 26, 2009

Page 2

The pilot assigned to P-30 said that he received permission from the Chief Pilot to keep the plane at his father's airstrip in Rowland after complaining to his supervisors about someone allegedly tampering with his plane at the Lumberton airport. According to the P-30 pilot, these events had been occurring since September 2006 and had been reported to management on multiple occasions.

The P-30 pilot stated he received permission to keep his plane at the private airstrip in Rowland from March 27, 2007, until July 10, 2007, when he was told to return it to the airport. When we informed the P-30 pilot about the incident that occurred on August 18, 2007, the P-30 pilot said he remembers the incident but the other pilot "may have his dates wrong; but, if that is what he said, then he might be right."

The Forest Resources Division maintains a weekly report (*N.C.F.S. Weekly Status Report*) that is used to account for the location and flight status of the division aircraft. A copy of the report for that period was no longer available during our review but, based on alternative records provided by Forest Resource management, we determined that records reflected that P-30 was located at the Lumberton airport rather than the private airstrip.

The pilot's immediate supervisor, the Assistant Chief Pilot, said that he knew that the previous Chief Pilot had given permission to keep the plane at the P-30 pilot's father's airstrip in response to the allegations of tampering at the airport. However, when the Chief Pilot retired during the summer of 2007, the Assistant Chief Pilot was told to inform the P-30 pilot to return the plane to the airport.

The Assistant Chief Pilot said that he received a call in September 2007 from the DENR Administrative Services Chief related to a complaint that the P-30 was being kept at a private airstrip. The Assistant Chief Pilot said that, to confirm the allegation, he followed the pilot home and observed the P-30 pilot landing and parking the plane at the private airstrip.

The Assistant Chief Pilot said he confronted the P-30 pilot about the plane being parked away from the airport. The P-30 pilot told him that the maintenance mechanic told him to move the plane to the private airstrip. However, the Assistant Chief Pilot said that the maintenance mechanic does not have the authority to authorize such a move. The pilot was ordered to return the plane to the Lumberton airport.

Although this occurrence did not directly affect the Division of Forest Resources' ability to fight a fire, the risk exists that confusion about the location of an aircraft could threaten life and property. As a result, Forest Resources personnel should ensure that all aircraft are properly accounted for and available at all times in accordance with agency policy.

Recommendation

We recommend that DENR management evaluate controls to ensure proper updates to the *N.C.F.S. Weekly Status Report* that is intended to provide management with information regarding the location and flight status of its aircraft. This updated report should be made available to all district offices on a routine basis and any inaccurate information corrected immediately. In addition, management should provide clear guidance to pilots as to which individuals have authority to approve any deviations from assigned locations of assigned aircraft.

Unresolved personnel issues

During our review, we determined that there exists an on-going personnel issue at the Lumberton airport between the P-30 pilot and a helicopter pilot also assigned to the Lumberton location. The problems extend back to 2004 and escalated in late 2006 to include allegations of tampering with aircraft.

Our review indicated that DENR management has repeatedly responded to various allegations made by these employees. When allegations were made related to tampering with an aircraft, management initiated an investigation by the agency's law enforcement officer. The resulting investigation concluded that no concrete evidence was available to substantiate the claims of tampering or other claims made by these employees.

DENR management met with both pilots concerning the allegations and requested, in a memorandum dated January 28, 2008, that they provide specific details related to any allegations to further the investigation. In addition, both employees were informed that "if you continue to make disparaging and unsubstantiated remarks that reflect negatively on these employees it will be considered unacceptable personal conduct and the appropriate disciplinary action will be taken."

According to DENR management, no information has been provided and no further incidents have been reported by either employee. However, during our review, we determined that the underlying issues related to the dispute between the employees remain. According to DENR officials, "these two employees just don't like each other." These personnel issues appear to have contributed to the improper storage of a plane and could jeopardize public health and safety.

Recommendation

Because the work that these employees perform involves the flying of aircraft, the existence of an on-going conflict between employees in a potentially dangerous work environment should be immediately addressed by management. Because the allegations have elevated to include serious safety issues, DENR management should consider separating these two employees.

Mr. Dee Freeman, Secretary

February 26, 2009

Page 4

It is apparent after the considerable amount of time that has transpired since these issues first came to light that keeping these individuals in close proximity to each other creates serious safety concerns and potential liability.

Please provide your written response to these findings and recommendations including corrective actions taken or planned by February 20, 2009. In accordance with General Statute §147-64.6(c) (12), the Governor, the Attorney General and other appropriate officials will receive copies of this management letter. If you have any questions or wish to discuss this matter further, please contact us.

Sincerely,

A handwritten signature in cursive script that reads "Beth A. Wood".

Beth A. Wood, CPA
State Auditor

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



North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue
Governor

February 18, 2009

Dee Freeman
Secretary

Honorable Beth A. Wood, CPA
North Carolina State Auditor
20601 Mail Service Center
Raleigh, North Carolina 27699-0601

Dear Ms. Wood:

I am writing today in response to your February 6, 2009 letter concerning your Hotline complaint involving the Division of Forest Resources' state-owned airplanes. By way of this letter I will address the issues raised in your letter.

First, your office recommended that "...DENR management evaluate controls to ensure proper updates to the N.C.F.S. Weekly Status Report that is intended to provide management with information regarding the location and flight status of its aircraft. This updated report should be made available to all district offices on a routine basis and any inaccurate information corrected immediately." In response to this concern DENR will ensure that the Chief Pilot provides an aviation status report to all districts, regions, and central office emergency coordination centers every Monday morning. This report lists the pilots, aircraft available by location, and where the aircraft is home based. In the future, any change in home base location will also be identified.

In addition, the Division explored purchasing an "automated flight following program" used by the U.S. Forest Service. This program provides real-time location along with other flight information. A monthly fee is required for each aircraft. Blue Sky Network is the vendor that supplies this service to the U.S. Forest Service and Canadian Forest Service. Due to budgetary constraints and other priorities, follow up on the automated flight program has not proceeded. The Division will continue to keep this project active, and, as funding becomes available, DENR will seek implementation.

The second recommendation in your letter proposed separating the two employees in question because of an on-going conflict between the two employees and the resulting safety concerns raised by this conflict. We have evaluated several options involving moving the patrol pilot to other local airports or moving the helicopter pilot

Beth Wood
Page 2
February 18, 2009

and mechanic to other local airports. In order to maintain an approved emergency response time, establishing the Laurinburg/Maxton airport as the home base for the helicopter was the best separation option. However, this action will require the state to pay an addition \$800/month rent for hanger and office space, and, in view of budget considerations, DENR has not chosen yet to effect this option.

DENR feels that the conflict between these employees has escalated due to a lack of close supervision in recent years. The division is currently interviewing for an assistant state pilot that will have immediate supervisory responsibility for these employees. We recommend that this new supervisor be allowed to work closely with these employees to manage this conflict to resolution or agreement before we implement a separation plan. If progress has not been made within six months we will implement a separation plan. Meanwhile, each of the two employees in question are being instructed that their behavior is not acceptable and continued conflict will lead to appropriate personnel actions.

Thank you for your interest and efforts in the investigation of these matters. If DENR can be of further assistance, please do not hesitate to contact me.

Sincerely yours,


Dee Freeman
Secretary

DAF/
cc: Manly Wilder, Asst. Secretary
Wib Owen, State Forester
Harlan Frye, Human Resources Director