

STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR
BETH A. WOOD, CPA



NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY STATE HIGHWAY PATROL

RALEIGH, NORTH CAROLINA

INVESTIGATIVE REPORT
SEPTEMBER 2017



NCOSA
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EXECUTIVE SUMMARY

PURPOSE

The Office of the State Auditor received a Hotline complaint alleging that certain State Highway Patrol troopers (troopers) were violating agency policy by driving excessive distances from their primary residences to their duty stations.

BACKGROUND

The State Highway Patrol is administratively located within the North Carolina Department of Public Safety. The State Highway Patrol employs approximately 1,600 troopers that patrol more than 78,000 miles of roadways in North Carolina.

FINDINGS

- State Highway Patrol Policy Violations Resulted in Higher Costs and May Have Jeopardized Response Times
- Insufficient Oversight Contributed to Policy Violations

KEY RECOMMENDATIONS

- Management should consider increasing monitoring efforts to ensure compliance with the residency policy. Management should consider re-writing the policy to include exceptions for certain administrative positions.
- Management should consider disciplinary action against troopers for knowingly violating policy and supervisors for not adequately enforcing policy
- Management should ensure an appropriate tone at the top relative to the residency policy. In other words, the commander, majors, and captains should ensure they are compliant with the residency policy before expecting compliance from subordinate personnel.

Key recommendations are not inclusive of all recommendations in the report.

STATE OF NORTH CAROLINA
Office of the State Auditor



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AUDITOR'S TRANSMITTAL

The Honorable Roy Cooper, Governor
Members of the North Carolina General Assembly
Eric Hooks, Secretary, North Carolina Department of Public Safety
Glenn M. McNeill, Commander, State Highway Patrol

Ladies and Gentlemen:

Pursuant to *North Carolina General Statute §147-64.6(c)(16)*, we have completed an investigation of allegations concerning the North Carolina Department of Public Safety, State Highway Patrol. The results of our investigation, along with recommendations for corrective action, are contained in this report.

Copies of this report have been provided to the Governor, the Attorney General and other appropriate officials in accordance with *G.S. §147-64.6(c)(12)*. We appreciate the cooperation received from the management and employees of the Department of Public Safety during our investigation.

Respectfully submitted,

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

Beth A. Wood, CPA
State Auditor



Beth A. Wood, CPA
State Auditor

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BACKGROUND

The Office of the State Auditor received a Hotline complaint alleging that certain State Highway Patrol troopers (troopers) were violating agency policy by driving excessive distances from their primary residences to their duty stations.

Our investigation of these allegations included the following procedures:

- Review of the residency policy
- Review of applicable State Highway Patrol personnel files
- Interviews with State Highway Patrol troopers and management¹
- Examination and analysis of available documents and records related to the allegation, including fuel and maintenance records for State Highway Patrol vehicles
- Review of relevant Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework

This report presents the results of our investigation. The Office of the State Auditor conducted the investigation pursuant to *North Carolina General Statute § 147-64.6 (c)(16)*.

The North Carolina Department of Public Safety (Department) is charged with reducing crime and enhancing public safety for North Carolinians. The Department has over 26,000 sworn law enforcement and civilian employees, along with 11,000 North Carolina National Guard soldiers. The North Carolina State Highway Patrol is administratively located within the Department. The State Highway Patrol employs approximately 1,600 troopers that patrol more than 78,000 miles of roadways in North Carolina.

The North Carolina State Highway Patrol is a paramilitary organization, and as such, its organizational structure includes the Secretary of the Department of Public Safety, a colonel (commander), a lieutenant commander, six majors, 20 captains, 36 lieutenants, 85 first sergeants, 201 sergeants, and 1,230 troopers.

¹ Includes those members of the management team who are subordinate to one another (e.g. Captain to a Major).



FINDINGS AND RECOMMENDATIONS

1. STATE HIGHWAY PATROL POLICY VIOLATIONS RESULTED IN HIGHER COSTS AND MAY HAVE JEOPARDIZED RESPONSE TIMES

State Highway Patrol troopers violated the State Highway Patrol's *Assignments, Transfers, Retirements, Resignations, and Residence Requirements Policy* (residency policy). These violations resulted in higher costs and may have jeopardized response times. Supervisors failed to enforce the residency policy and obtain authorization for exceptions as required by the policy.

Troopers Violated Residency Policy

During 2016, eight troopers violated the residency policy by failing to maintain a primary residence within the county of their assigned duty station or within 20 miles from the county line of their assigned duty station. The distances between the county lines of the troopers' duty stations and their primary residences are shown below in order of descending mileage:

Trooper Rank	From	To	Miles*
Captain	Wake County line	Morganton, NC	187
Lieutenant	Cumberland County line	Cedar Point, NC	115
First Sergeant	Wake County line	Roper, NC	107
Lieutenant	Cumberland County line	Grimesland, NC	104
Major	Wake County line	Clemmons, NC	103
First Sergeant	Wake County line	Watha, NC	86
Lieutenant	Wake County line	Washington, NC	78
Captain	Cumberland County line	Snow Hill, NC	68

*Mileage is approximate, supported by Google Maps, and represents the most direct highway route.

The majority of troopers initially indicated they were not commuting to and from their primary residences. The troopers indicated they maintained secondary residences closer to their duty stations. These secondary residences included apartments, relatives' homes, rescue squads, fire stations, and National Guard stations near the troopers' duty stations. However, our investigation found that troopers were commuting to and from their primary residences.

First, a review of records revealed refueling near primary residences:

- A review of the troopers' fuel and maintenance records for 2016 indicated the vehicles were refueled in the town or city of the troopers' primary residences or at a location along the route to and from their primary residences during the week
- The vehicles assigned to the Captain (from Morganton), and the Lieutenant (from Washington), were repeatedly refueled near their primary residences during the

week. The Captain from Morganton had the highest number of refueling instances in his hometown with 44 instances of refueling in Morganton.²

- The remaining six vehicles, assigned to the other troopers, were refueled near the city or town of their primary residences during the week

Second, troopers ultimately acknowledged commuting to their primary residences:

- The troopers admitted to using their assigned State Highway Patrol vehicles to commute to their primary³ residences on most weekends. These troopers also admitted to driving their State Highway Patrol vehicles to their primary residences during the week.

Most troopers said the main reason for driving to their primary residences during the week was to either see family or to attend a meeting closer to their primary residence the next day. Relative to weekends, most troopers explained trips to their primary residences were to see family.

These eight troopers also failed to submit a Request to Reside Outside County of Assigned Duty Station form (HP-740) for the location of their primary residences. Troopers provided various reasons for not completing the HP-740 form. These reasons included the following: spending the majority of time reporting to an area or areas located closer to the troopers' primary residences; having statewide responsibilities precluded completion of the form; never told to complete the form; and the State Highway Patrol possessing the technological capabilities to allow troopers to work remotely.

Violations Resulted in Higher Costs and May Have Jeopardized Response Times

By not following the residency policy, troopers unnecessarily increased commuting miles on their State Highway Patrol vehicles. The increased commuting mileage ultimately resulted in higher fuel and maintenance costs and may have reduced the useful lives of their respective vehicles.

Although troopers in a managerial role may not be required to respond to calls on a routine basis, they may need to respond to calls concerning major emergency events. Certain troopers, for example, first sergeants, may have jeopardized response time to critical calls at their respective duty stations by failing to comply with the residency policy. When troopers communicated to management that they were residing at a secondary address but actually resided at their primary address, resource availability for the geographical area of the secondary residence could have been negatively impacted.

² Thus, it appears the Captain traveled to his primary residence, at least 44 times during 2016. This number of instances may be higher; however, we were unable to determine whether the locations of the other refuelings (between Morganton and the Wake County line) were in route to his primary residence or whether he was conducting official state business.

³ For purposes of this report, a primary residence is defined as the location where the trooper's family (spouse, children, etc.) resides.

Supervisors Failed to Enforce the Residency Policy

The failure of the supervisors to enforce the residency policy allowed the troopers to commute between their primary residences and their assigned duty stations. Some supervisors did not know if the troopers had completed the HP-740 form for their primary residences. Other supervisors said troopers simply did not have the form completed for their primary residence.

Authorization Required by Highway Patrol Residency Policy

According to the residency policy, “A trooper’s **residence must be established to ensure troopers can respond to calls for service in a timely manner** on a 24-hour basis. Troopers shall reside within North Carolina and **in the county of their assigned duty station or reside in an approved location within twenty (20) miles from the county line of their assigned duty station.**” [*Emphasis added*] The policy also states, “...troopers wishing to reside outside their county of assignment must submit an HP-740 (*Request to Reside Outside County of Assigned Duty Station*)...”

RECOMMENDATIONS

- Management should consider increasing monitoring efforts to ensure compliance with the residency policy. Management should consider re-writing the policy to include exceptions for certain administrative positions.
- Management should consider placing Global Positioning Satellite (GPS) devices on all State Highway Patrol vehicles to monitor proper vehicle usage
- Management should consider disciplinary action against troopers for knowingly violating policy and supervisors for not adequately enforcing policy

2. INSUFFICIENT OVERSIGHT CONTRIBUTED TO POLICY VIOLATIONS

Management⁴ failed to establish the necessary control environment⁵ to ensure compliance with the State Highway Patrol’s *Assignments, Transfers, Retirements, and Residence Requirements Policy* (residency policy). Specifically, management did not establish an appropriate tone at the top, enforce accountability, or ensure there was adequate information and communication⁶ as defined by COSO.⁷

⁴ For purposes of this finding, the State Highway Patrol management team includes commanders, lieutenant commanders, majors, captains, and lieutenants.

⁵ Committee of Sponsoring Organizations of the Treadway Commission (COSO) defines the control environment component as, “The control environment is the foundation for an internal control system. It provides the discipline and structure, which affect the overall quality of internal control.”

⁶ COSO defines the information and communication component as, “Management uses quality information to support the internal control system. Effective information and communication are vital for an entity to achieve its objectives.”

⁷ COSO was embraced by North Carolina state government through the establishment of the Enhancing Accountability in Government through Leadership and Education (EAGLE) program, as a result of the passage of House Bill 1551 in 2008.

Tone at the Top

By not enforcing the residency policy, management created an environment where subordinate troopers were able to rationalize noncompliance or completely disregard the policy.

For example, one Captain stated, "I don't know that anyone here has ever paid attention (to that rule)." That statement reflected an environment in which the residency policy was not taken seriously.

In another example, a member of the Department of Public Safety's legal team said, "We've always struggled with a domicile policy⁸ that works. We've always had to create exceptions, but then other people don't realize or understand why the exceptions were granted. It's been a difficult thing to deal with and always has been."

According to COSO:

"Without a strong tone at the top to support an internal control system, the entity's risk identification may be incomplete, risk responses may be inappropriate, control activities may not be appropriately designed or implemented, information and communication may falter, and results of monitoring may not be understood or acted upon to remediate deficiencies."⁹

Enforcement of Accountability

Management also failed to enforce accountability on troopers who were noncompliant with the residency policy. In situations where a trooper was out of compliance with the residency policy, it was the responsibility of that trooper to complete and submit a HP-740 (in a timely manner) to the trooper's supervisor.

For example, when asked if two of the Lieutenants under one particular Captain were out of compliance with the residency policy, the Captain said, "Yes (he is out of compliance)" in regards to the first Lieutenant. When asked if the Captain thought the second Lieutenant was in compliance with the residency policy, the Captain replied, "He's never had one (HP-740 on file)... he doesn't have an established residence so he would be out of compliance." Management failed to correct these known instances of noncompliance.

According to COSO:

"Management, with oversight from the oversight body, takes corrective action as necessary to enforce accountability for internal control in the entity. These actions can range from informal feedback provided by the direct supervisor to disciplinary action taken by the oversight body, depending on the significance of the deficiency to the internal control system."¹⁰

⁸ This member of the legal team was referencing the *Assignments, Transfers, Retirements, Resignations, and Residence Requirements policy*.

⁹ Committee of Sponsoring Organizations of the Treadway Commission (COSO). Principle 1 (Demonstrate Commitment to Integrity and Ethical Values) 1.01.

¹⁰ Committee of Sponsoring Organizations of the Treadway Commission (COSO). Principle 5 (Enforce Accountability) 5.06.

Information and Communication

Management's failure to communicate the residency policy to subordinate troopers created an environment where some subordinate troopers were unaware that they needed to complete a HP-740 form.

For example, a Lieutenant stated, "I never got one of those [forms]." This response indicated the Lieutenant was not aware it was necessary for him to complete the form.

According to COSO:

"Management should communicate quality information throughout the entity using established reporting lines. Management should communicate quality information down and across reporting lines to enable personnel to perform key roles in achieving objectives, addressing risks, and supporting the internal control system. In these communications, management assigns the internal control responsibilities for key roles."¹¹

RECOMMENDATIONS

- Management should ensure an appropriate tone at the top relative to the residency policy. The commander, majors, and captains should ensure they are compliant with the residency policy before expecting compliance from subordinate personnel.
- Management should consider reviewing primary and secondary addresses of all troopers in an effort to identify potential noncompliance. If troopers are found to be out of compliance with the residency policy, management should consider corrective action to enforce accountability.
- Management should consider recommunication of the residency policy in a manner which will reach all intended troopers

¹¹ Committee of Sponsoring Organizations of the Treadway Commission (COSO). Principle 14 (Communicate Internally) 14.02 and 14.03, respectively.



RESPONSE FROM THE DEPARTMENT OF PUBLIC SAFETY



Roy Cooper, Governor

Erik A. Hooks, Secretary

September 5, 2017

Beth A. Wood, CPA
State Auditor
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Re: Report of Investigation dated September 2017 pertaining to State Troopers violating agency policy by driving excessive distances from their primary residence to their duty stations

Dear Ms. Wood:

I am in receipt of your letter dated August 22, 2017 and accompanying Investigative Report. In that report, you have substantiated an allegation that certain State Highway Patrol Troopers were violating agency policy by driving excessive distances from their primary residences to their duty stations. You point out that these policy violations resulted in higher costs to the state (i.e. increased fuel and maintenance costs) and that, in some cases, these violations may have impeded the ability of Troopers to respond to emergency situations in a timely manner. You have also concluded that insufficient oversight contributed to these policy violations.

I do not dispute any of the findings as set out in your report. As you know, however, each of the violations detailed in your report occurred prior to my appointment as Secretary of the Department of Public Safety and prior to Colonel Glenn McNeill assuming command of the Highway Patrol. That being said, I want to assure you that Col. McNeill and I share the concerns expressed in your report, we agree with the recommendations contained therein and I am pleased to report that each of the employees referred to in your report are currently in compliance with policy and that most of the remedial measures recommended in the report have already been implemented by the Highway Patrol.

Upon assuming command of the Highway Patrol on February 2, 2017, Col. McNeill and his command staff conducted a thorough review of the then existing residency policy and, on March 3, 2017, significant changes were implemented. Unlike the prior policy, the new policy focuses on response time rather than mileage. I note that one of the recommendations is that management should consider re-writing the policy to include exceptions for certain administrative positions. The policy, as written, takes into consideration the members duty assignment and allows for exceptions to be made by the Patrol Commander when deemed

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necessary to prevent a hardship or when in the best interest of the Patrol. Those exceptions will be made by the Patrol Commander on a case-by-case basis.

Every member of the Highway Patrol has been required to acknowledge that they have read and understand the policy changes that were implemented in March 2017. Additionally, the Highway Patrol command staff has communicated a clear message that the residency policy is to be strictly and evenly enforced and that Troopers who knowingly violate the policy or supervisors who fail to adequately enforce the policy will be dealt with appropriately. The Highway Patrol has already taken steps to ensure that all members are in compliance with the new policy and the Inspections Unit has been directed to review its current inspection protocol and, if necessary, implement a process to enhance its current monitoring capability and ensure future compliance.

Finally, you recommend that management should consider placing Global Positioning Satellite (GPS) devices on all State Highway Patrol vehicles to monitor proper vehicle usage. I am not opposed to having GPS monitoring devices installed on Highway Patrol vehicles. In fact, Col. McNeill and I have previously discussed the benefits of having GPS monitoring, not the least of which is officer safety, more efficient dispatch capabilities and GPS mapping capabilities to help reduce the incidence of crashes. Unfortunately, the cost associated with the immediate implementation of this recommendation is not within the Highway Patrol's current budget.

As indicated in the report, the Highway Patrol employs approximately 1,600 Troopers who are responsible for patrolling more than 78,000 miles of roadways in North Carolina. The vast majorities of these Troopers have always been and continue to be in compliance with the Highway Patrol residency policy. Nonetheless, Col. McNeill and I share your vision of 100% compliance and I assure you we will settle for nothing less. I hope this provides a full and satisfactory response to your Investigatory Report.

Sincerely,



Erik A. Hooks
Secretary

cc: Colonel Glenn M. McNeill

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This investigation required 659 hours at an approximate cost of \$68,536