



REPORT OF INVESTIGATION

File Number: 05-148

Agency: Department of Administrative Services (DOAS)

Basis for Investigation: Complaint Received from DOAS

Allegations: Unauthorized Use of Motor Pool Fuel Credit Card and Personal Identification Number

Date Opened: December 15, 2005

Investigated By: Deputy Inspector General Phil Walker

Date of Report: June 20, 2006

Elizabeth Archer, Interim Inspector General

OFFICE OF THE INSPECTOR GENERAL



EXECUTIVE SUMMARY

Department of Administrative Services
File Number: 05-148

On December 12, 2005, the State Office of Inspector General (OIG) received a complaint from Joe Kim, General Counsel for the Department of Administrative Services (DOAS), regarding the misuse of a Motor Pool fuel card.

Kim informed OIG that DOAS Fleet Management was made aware that persons unknown in the DOAS Motor Pool used a vehicle motor fuel card and Personal Identification Number (PIN) to fraudulently charge approximately one thousand dollars (\$1,000) in gasoline.

Our investigation could not conclusively substantiate the person(s) responsible for unauthorized fuel charges using a state credit card and PIN. However, it is evident that the lack of policies and procedures relating to the proper use and handling of fuel credit cards and PINs contributed to the fraudulent activity.

OIG makes the following recommendations to DOAS.

1. Implement written policies and procedures regarding the use of fuel cards, vehicle keys and PINs for all Motor Pool employees. To ensure compliance, all Motor Pool personnel should be trained in the proper handling and physical security of the aforementioned items.
2. Restrict access to fuel credit cards and PINs to a limited number of Motor Pool employees.
3. Review the present supervision structure of Trustees assigned to the Motor Pool as well as specific Trustee responsibilities.
4. Implement an inventory system in the Motor Pool that ensures the security of the fleet vehicles and the integrity of the vehicle keys, fuel credit cards and PINs.
5. Establish safeguards limiting gasoline transactions in fleet vehicles.



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Summary of Actions
File Number 05-148
Department of Administrative Services

I. Basis for Investigation

On December 12, 2005, the State Office of Inspector General (OIG) received a complaint from Joe Kim, General Counsel for the Department of Administrative Services (DOAS), regarding the misuse of a Motor Pool fuel card.

Kim informed the OIG that DOAS Fleet Management was made aware that persons unknown in the DOAS Motor Pool used a vehicle motor fuel card and Personal Identification Number (PIN) to fraudulently charge approximately one thousand dollars (\$1,000) in gasoline from November 24, 2005 through December 5, 2005.

II. Narrative

Background

DOAS operates an Interagency Motor Pool (hereinafter referred to as Motor Pool) which provides vehicle rental services at 204 Jessie Hill, Jr. Drive, Atlanta, Georgia 30334. This location is known as the "Capitol Hill" site. State agencies that do not operate in-house motor pools obtain vehicles for agency use from this facility.

The DOAS Rental Fleet supervisor oversees the operation of the Motor Pool. The supervisor is responsible for five Motor Pool employees, which includes three vehicle rental agents and five inmates (trustees) from the Department of Corrections. The trustees are assigned various duties, which include refueling Motor Pool fleet vehicles.

Internal Motor Pool Practices

Our OIG investigation revealed that the Motor Pool randomly assigns one of ten PINs to client agencies renting vehicles. When a state agency reserves a vehicle from the Motor Pool, the Motor Pool Rental Agent provides the client with a rental agreement and a fuel credit card. The fuel credit card is kept in a pouch attached to the vehicle keys along with an assigned PIN, to purchase gasoline at participating providers. If the client returns the vehicle during Motor Pool business hours, the keys are taken with the pouch containing the fuel credit card and vehicle mileage to a Rental Agent. A trustee then takes the vehicle keys and fuel credit card, refuels the vehicle at the “Fuel Island,” and cleans the interior and exterior of the vehicle. The trustee then takes the vehicle to the basement area of the Motor Pool, where the keys and credit card remain until about 4:00 p.m. At that time, a trustee or Motor Pool employee retrieves the keys and attached pouch from the vehicle, and returns them to the office. At the end of the day, Motor Pool personnel placed all vehicle keys with attached pouches in the “lock box” in the supervisor’s office. However, at the time of this investigation, the supervisor maintained the key to the “lock box” in her unsecured desk which was accessible by Motor Pool employees.

Our OIG investigation further determined that the Motor Pool has used the same PINs for three years. The Motor Pool staff displays a list of PINs on the wall in the Motor Pool office. The investigation also revealed that all Motor Pool employees and trustees have access to the Motor Pool office and the fuel cards.

Improper Fuel Purchases

Documents obtained from DOAS pursuant to the OIG investigation determined that vehicle number 403-222 was last rented on November 22, 2005. However, between November 24 and December 5, 2005, nineteen (19) gasoline transactions occurred totaling nine hundred dollars and fifty-three cents (\$900.53). The transactions occurred at commercial state approved gasoline stations using the fuel credit card and PIN assigned to this particular vehicle.

Although our investigation revealed that the PIN used in these transactions was assigned to a DOC trustee responsible for refilling rental vehicles, his services ended on November 28, 2005. As previously stated, the fraudulent fuel transactions continued until December 5, 2005.

During the course of our investigation, we interviewed staff from the Motor Pool concerning fuel card policies and procedures. Staff members stated that the Motor Pool has used the same PINs for the past three years and that they are accessible to all employees and trustees. Staff also stated that no one checks inside the pouch to verify if the fuel card is present when the vehicle is returned. According to the Lead Motor Pool Attendant, no one has inventoried the fuel cards, vehicles or keys in approximately 13 years. He stated that it was possible for someone to remove a vehicle fuel card without anyone's knowledge. Our investigation revealed that the Motor Pool supervisors received their indoctrination to the Motor Pool by on-the-job training and "word-of-mouth." Staff members also confirmed that they did not receive written policies and procedures, training, or sufficient guidance as to the operation of the Motor Pool.

It should be noted, that in March of 2001, DOAS entered into a contract with Wright Express (WEX) to provide fuel services and incidental small value maintenance services to the State of Georgia. According to the contract, each state agency and political subdivision establishes their own vehicle fuel card account with the WEX system via DOAS. Each subscriber to the WEX system receives a briefing on the benefits of the system, including the establishment of vehicle PINs for every vehicle in an agency's inventory. As a result, the agency is responsible for safeguarding their fuel cards. However, these safeguards do not appear to be applicable to vehicles rented through the Motor Pool.

III. Conclusion

The dominant concern of our investigation is the lack of security for fleet vehicle keys and fuel credit cards. As our investigation revealed, vehicle keys and attached fuel credit

cards are not inventoried. Until this incident occurred, Motor Pool Interagency Rental Vehicle fuel credit card PINs had not changed in several years.

Our investigation could not conclusively substantiate the person(s) responsible for unauthorized fuel charges using a state credit card and PIN. It is evident that the lack of policies and procedures relating to the proper use and handling of fuel credit cards and PINs contributed to this fraudulent activity. “Word-of-mouth” is not an appropriate method for policy and procedure dissemination. The lack of education and training about existing policy impeded employees’ ability to perform their duties responsibly. Also noted is the fact that the Motor Pool does not utilize lockout systems available to WEX users, such as volume of gasoline purchased per transaction.

Our investigation determined that inadequate accountability of fuel cards and PINs led to the breach of internal control. Also of concern was the fact that one supervisor was responsible for overseeing three employees and five trustees, all of whom had unrestricted access to the credit cards and PINs. Moreover, routine daily practices within the Motor Pool permitted open view and access of vehicle keys, credit cards, and the PIN listing by assigned staff, inmates, and the public.

IV. Recommendations

Based on our investigation, the OIG makes the following administrative recommendations. The OIG requests that DOAS provide a written response regarding the implementation of these recommendations within 30 days of the issuance of this report.

1. Implement written policies and procedures regarding the use of fuel cards, vehicle keys and PINs for all Motor Pool employees. To ensure compliance, all Motor Pool personnel should be trained in the proper handling and physical security of the aforementioned items.

2. Restrict access to fuel credit cards and PINs to a limited number of Motor Pool employees.
3. Review the present supervision structure of trustees assigned to the Motor Pool as well as specific trustee responsibilities.
4. Implement an inventory system in the Motor Pool that ensures the security of the fleet vehicles and the integrity of the vehicle keys, fuel credit cards and PINs.
5. Establish safeguards limiting gasoline transactions in fleet vehicles.

V. Referrals

None