CITY OF NEW ORLEANS
OFFICE OF INSPECTOR GENERAL

PERFORMANCE REVIEW
A&R - 20090004

THE COST AND MANAGEMENT OF PASSENGER TYPE VEHICLES OF THE ORLEANS PARISH CRIMINAL SHERIFF'S OFFICE

LEONARD C. ODOM
INSPECTOR GENERAL

---

525 St. Charles Avenue, New Orleans, LA 70130-3409

Published: August 21, 2009

Office of Inspector General
City of New Orleans
525 Saint Charles Avenue
New Orleans, LA 70130-3409
Office: (504) 681-3200 Fax: (504) 681-3230
www.nolaoig.org

August 21, 2009

Marlin N. Gusman, Sheriff
ORLEANS PARISH CRIMINAL SHERIFF 'S OFFICE
New Orleans, Louisiana

Dear Sheriff Gusman:

Please find enclosed the Performance Review (A&R-20090004) issued in connection with the Office of the Inspector General's ongoing evaluation of the cost and management of the City of New Orleans's passenger type vehicles. This performance review report was restricted to the portion of the fleet that falls under the management of the Orleans Parish Criminal Sheriff.

The Office of the Inspector General conducted an exit conference and discussed the findings and recommendations with appropriate management personnel before submitting this written report. The Office of the Inspector General findings and recommendations are intended to provide the Orleans Parish Criminal Sheriff with advice in implementing enhanced business practices. Management had 30 work days to respond. Management's response is included in the Office of Inspector General's final report.

Based on these observations and analysis, the Office of the Inspector General has concluded that the Orleans Parish Criminal Sheriff's management performance is in substantial compliance with the policies that have been established for the management of passenger vehicles and uses value-added business practices. No activities of mismanagement, fraud, waste or abuse came to our attention. Throughout the engagement, the Orleans Parish Criminal Sheriff worked in the spirit of cooperation and in a timely manner with the Office of the Inspector General staff.

Sincerely,

Leonard C. Odom
Inspector General

cc: Brenda G. Hatfield Ph.D., Chief Administrative Officer, City of New Orleans

LCO/le

Office of Inspector General
City of New Orleans
525 Saint Charles Avenue
New Orleans, LA 70130-3409
Office: (504) 681-3200 Fax: (504) 681-3230
www.nolaoig.org

Audit and Review Division

Performance Review

A&R -20090004

The Cost and Management of Passenger Type Vehicles of the Orleans Parish Criminal Sheriff's Office

Prepared by
Laura East, CPA, CFE, CFF, Forensic Auditor
And Susan Brown, CFE, Forensic Auditor

Reviewed by
Neely Moody
Interim First Assistant Inspector General- Audit & Review

August 21, 2009

Executive Summary

The Office of Inspector General (OIG) conducted a performance review of the cost and management of passenger type vehicles of the Orleans Parish Criminal Sheriff's Office (OPCSO). This performance review was conducted under the authority contained in Chapter 44 of Title 33 of Louisiana Revised Statutes of 1950 comprised of R.S. 33.9611 through 9614 and the Ordinances of the City of New Orleans, ARTICLE XIII, Sec. 2—1120 (11) (a), (b), and (c) and Sec. 2—1120 (12).

The OIG review was planned and conducted in accordance with *Principals and Standards for Office of Inspector General* and generally accepted government auditing standards for performance reviews.

On March 12, 2009 OIG auditors held an entrance conference with the Risk Manager and Legal Counsel for the OPCSO. The OIG informed the OPCSO that the objective of the review was to inquire into the efficiency and effectiveness of the management of the fleet and to obtain and evaluate information about the size and cost of the OPCSO's fleet of passenger type vehicles.

The OIG review primarily covered five critical areas:

- Take-home criteria for vehicles
- Take-home vehicle personal use charge
- Abuse or misuse of vehicles
- Record keeping of maintenance costs of vehicle fleet
- Fuel use and monitoring

The OIG tested the OPCSO practices for compliance with the Louisiana State Constitution, the Internal Revenue Service rules and regulations and the current City of New Orleans and OPCSO policies and procedures. The OIG procedures included interviewing management personnel and evaluation of selected documents, policies and procedures as considered necessary. After analyzing the data, the OIG prepared this written report which includes findings and recommendations for improvement.

The OIG recommendations are intended to provide the OPCSO with advice in implementing enhanced business practices. The OIG held an exit conference to discuss the findings and recommendations with appropriate management personnel before submitting this written report. The OPCSO had three findings, two observations, and one commendation. Management's response is presented in Attachment B.

Background

The OPCSO is responsible for the care, custody, and control of incarcerated subjects in Orleans Parish, reportedly the Nation's 8th largest correctional facility. The Sheriff is the Executive Officer for the Criminal Court and is responsible for the service of subpoenas and courtroom security.

The OPCSO is responsible for the operations of the Parish jail facilities, which includes execution of all writs, orders, and processes of the Traffic, Municipal and Criminal Courts. Sheriff's deputies are peace officers with the full authority to conduct criminal investigations and make arrests within Orleans Parish.

The OPCSO is a parochial agency, a separate unit of government, provided for by State statute. The OPCSO generates revenues from operations including revenues received from the City of New Orleans (City) based on a per diem rate for the number of City inmates housed in the Parish jail facilities. The OPCSO also receives additional revenues from the Department of Corrections Louisiana, Federal charges and grants and State supplemental pay. As a result of a Consent Decree related to a prior lawsuit and counter suit between the City and OPCSO, the City covers the costs of the OPCSO employees' workmen's compensation insurance, health insurance, unemployment insurance and fuel expense for OPCSO vehicles. Currently, the OPCSO has 698 employees of which 485 are commissioned (sworn) and 213 are uncommissioned (un-sworn).

The OPCSO uses its revenues to purchase, insure and maintain the OPCSO vehicles while the City pays for the fuel to operate the vehicles. The OIG received the May 31, 2009 OPCSO detailed fleet inventory listing showing a total of 268 vehicles. The inventory consists of 137 passenger vehicles, 57 trucks, 33 vans, 18 SUV's, 12 motorcycles, nine buses, one mobile command center and one motor home. The cost to maintain this fleet each year is approximately $436,000 which includes insurance, maintenance and repairs.

The vehicle fleet activity is administered and managed by the Chief of Operations and the Supervisor of Fleet Maintenance. In 2006, the OPCSO hired a Risk Manager with over 30 years experience in risk management and insurance.[1] The Risk Manager's duties are very broad but include the following related to the vehicle fleet:

- Develop and implement systems, policies and procedures for the identification, collection and analysis of risk related information about the vehicle fleet
- Educate and train leadership, officers and staff as to the risk management program, and their respective responsibilities in carrying out the risk management program related to the vehicle fleet
- Collect, evaluate, and maintain risk-related data about the vehicle fleet
- Investigate and analyze root causes, patterns, or trends in risk related data about the vehicle fleet
- Help to identify issues and implement corrective action where appropriate regarding the vehicle fleet

[1] Correction made as per the Management's response dated August 18, 2009, in Attachment B.

- Provide periodic summary to top management on incidents, claims, and claim payments related to the vehicle fleet
- Serve as the liaison to the organization's insurance carrier of the vehicle fleet
- Assist in processing summons and claims against the facility by working with legal counsel to coordinate the investigation, processing, and defense of claims against the organization related to the vehicle fleet
- Actively participate in or facilitate committees related to risk management, safety, and quality improvement of the vehicle fleet

Take-Home Criteria for Vehicles

The OPCSO revised their written Policy 301.19 "Take-Home Vehicle Policies and Procedures" on January 1, 2009. It is the policy of the OPCSO to provide take-home vehicles to eligible personnel, when possible, in order to improve the level of services provided to the citizens of Orleans Parish. These services include availability for response to emergency incidents, increased visibility of enforcement vehicles and increased departmental presence on the streets for an extended period of time. Further, the policy states the purpose is to improve cost-effectiveness of fleet management by extending vehicle life through better vehicle care and accountability. Of the OPCSO's 268 vehicles, 123 vehicles or 46% are assigned for take home use. The OPCSO's take-home vehicle policy appears to be consistent with good business practices and also adds value predicated on the mission and responsibilities of the organization.

Take-home vehicle privileges may be terminated by the Criminal Sheriff or the Chief Deputy at any time for violations of Policy 301.19, or any departmental policy, regulation, directive, and/or procedure for any other reason as may be determined.

The OPCSO Policies and Procedures indicate that when available, departmental vehicles will be assigned to the following employees for take-home use:

- Sheriff's staff
- Departmental heads
- Facility wardens
- Executive staff
- Subpoenas and Capias and Warrants Personnel
- Search and Rescue Personnel
- Any employee subject to a 24 hour call out
- Any employee requiring a vehicle to successfully complete daily duties

Commissioned personnel must meet the following requirements in order to participate in the Take-Home Vehicle Program:

- Be in possession of a valid OPCSO commission
- Be in possession of a valid Louisiana Operator's License

- Must fall into an employee category that has been deemed as frequent call out or in possession of specialized equipment and/or training
- The Criminal Sheriff or the Chief Deputy must approve the vehicle assignment

Noncommissioned personnel must meet the following requirements in order to receive a Take-Home Vehicle:

- Must fall into a category that has been deemed as frequent call out or in possession of specialized equipment and/or training
- The Criminal Sheriff or the Chief Deputy must approve the vehicle assignment

The OPCSO has 698 employees of which 123 employees (18%) are assigned a vehicle for take-home use. Of the 123 employees with a take-home vehicle, 112 employees (91%) are commissioned personnel and 11 employees (9%) are uncommissioned personnel.

The following is a detailed breakdown by job title of the 123 take-home vehicle assignments:

- 2 Technical Services 24 hour call
- 26 Special Operations 24 hour call
- 21 Jail Operations 24 hour call
- 6 Maintenance 24 hour call
- 3 Warehouse 24 hour call
- 3 Administration/CWA 24 hr call
- 1 Sheriff
- 5 Colonel
- 6 Chief
- 17 Subpoena/Fugitive Warrants
- 2 Court Security
- 1 Court Liaison
- 3 Transportation
- 3 Intake and Processing
- 3 Inspections/Detail Supervision
- 3 Kitchen/Food Service
- 1 Chaplain
- 2 Medical Transportation
- 2 Communications
- 3 Internal Affairs
- 1 Risk Management
- 4 Administration
- 1 Training Division
- 3 Recruit Investigator
- 1 Young Marines Program

Observation: The OPCSO policy is well structured with apparent ease of execution and demonstrated effectiveness. As a result, the OIG encourages the City's Chief Administrative Officer (CAO) to review the OPCSO's written Policy 301.19, "Take-Home Vehicle Policies and Procedures" revised on January 1, 2009, for potential application to other City departments.

Take-Home Vehicle Personal Use Charge

The OPCSO charges all employees who are assigned a take-home vehicle a personal use charge, regardless of whether it is a marked vehicle or an unmarked vehicle. The take-home vehicle personal use charge is $60.00 per month, or $720.00 per year. The referenced policy states the purpose of this charge is to "help defray the cost of maintaining the vehicle."

The OIG obtained and reviewed the payroll data for one-pay period in March 2009 for all 123 OPCSO employees assigned a take-home vehicle to verify that the personal use charge was deducted from the employees' salary. An analysis of this information verified that all employees were effectively charged for the take-home use in accordance with referenced policy.

The $720.00 per year take-home use charge is in accordance with the application of the "Commuter Rule" as established in IRS Publication 15-B. Under this rule, the value of a vehicle provided to an employee for commuter use is determined by multiplying each one-way commute by $1.50. When the OPCSO vehicle is used to commute to and from work, $3.00 a day may be deducted from the employee's payroll to reimburse for the personal use of the commute.

Per IRS Publication 15-B, the rule for valuing commuter use can only be used when the following conditions are met:

- The OPCSO owns or leases the vehicle for its employees to use for OPCSO business;
- The OPCSO requires the employee to commute in the vehicle for bona fide non-compensatory reasons;
- The OPCSO must establish a written policy which does not allow the employee to use the vehicle for personal reasons other than commuting and de minimus personal use (such as a stop for a personal errand on the way between work and home) and, in practice
- The employee does not use the vehicle for personal purposes other than commuting or de minimus personal use and;
- The employee must not be a control employee.

The OPCSO Take-Home Vehicle Policy, updated January 1, 2009, meets the written guidelines as required by the IRS in order to apply the commuting rule.

Finding: The OPCSO's application of the take-home use charge to marked OPCSO vehicles is inconsistent with the IRS Regulations. Per IRS Publication 15-B, a marked law enforcement vehicle is considered a qualified nonpersonal-use vehicle and is therefore exempt from the application of the "Commuter Rule." The OPCSO's current policy and procedure is to apply the take-home use charge to all OPCSO vehicles, both marked and unmarked.

Recommendation: The OPCSO's policy of applying the take-home use charge to marked OPCSO vehicles is inconsistent with the IRS Regulations. The OIG recommends that the OPCSO address the issue with legal counsel to determine the implication related to OPCSO policies and procedures which are inconsistent with IRS rules and regulations.

Abuse or Misuse of Vehicles

The OIG reviewed the OPCSO Accident Review Board Policies and Procedures (Third Revision) dated January 10, 2008. Disciplinary action for employee abuse and misuse of OPCSO

vehicles is administered through the Accident Review Board. All abuse/misuse or accident occurrences are reported to Communications, who then notifies the Chief of Operations, Chief of Security for the Special Operations Division, Supervisor of Fleet Maintenance, Director of Risk Management, New Orleans Police Department, Internal Affairs and the employee's supervisor. A post accident drug test is administered to the employee immediately following the occurrence. The employee and the other party to the occurrence are interviewed to obtain all facts.

The Accident Review Board is convened to review the case and to determine the appropriate disciplinary action if necessary. The Board's findings and/or recommendations for disciplinary actions are forwarded to the Sheriff and/or Deputy Chief for final disposition. The purpose of the Accident Review Board is to identify the cause of auto crashes, training implications, recommend discipline, and revise department regulations in order to decrease or lessen the incidence and severity of auto crashes involving Sheriff's vehicles. The OIG found this policy to be an effective tool for assisting in managing the vehicle fleet.

The OIG requested all reportable incidents of damage to OPCSO vehicles for the two year period ending December 31, 2008. The OPCSO Risk Manager provided 56 incident reports and Accident Review Board findings for the period requested. Of the 56 incidents, there were 55 OPCSO employees involved and one repeat offender. The OIG reviewed 100% of the reports received noting that the Accident Review Board classified the crash or damage incident in accordance with the guidelines of the Classification of Accidents and recommended the corresponding disciplinary action as provided for by the OPCSO Accident Review Board Policies and Procedures.

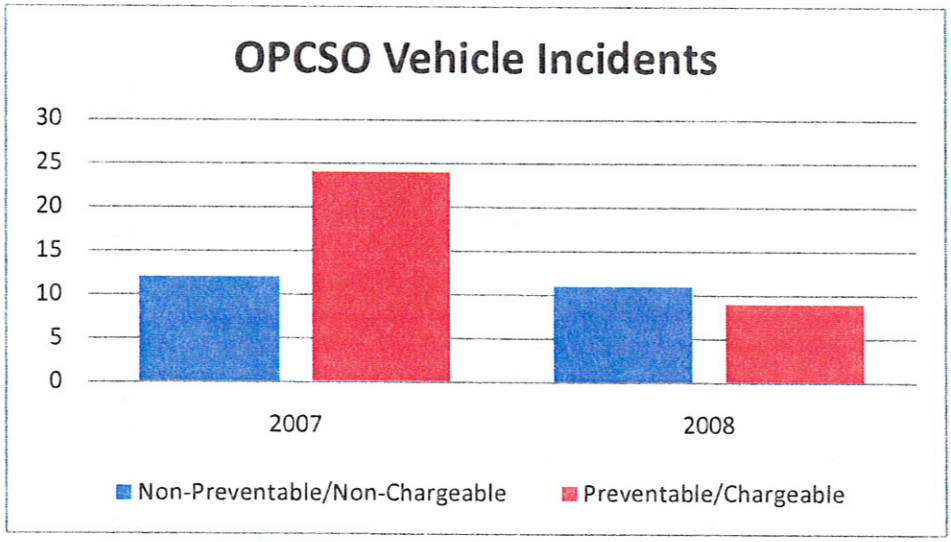
The OIG calculated that the total number of incidents which occurred in 2007 was 36 and involved 35 different OPCSO employees, one being a repeat offender. Of the 36 reported incidents of damage to an OPCSO vehicle, 12 were classified as "Non-Preventable" or "Non-Chargeable" by the Advisory Review Board.

This category includes:

- crashes that are described as being beyond the operator's control while practicing good driving methods
- mechanical defects which were unknown to the driver
- line of duty which applies to emergency vehicles when responding to an emergency and has not broken any traffic laws or department regulations governing motor vehicles

There were 24 incidents in 2007 where the Advisory Review Board deemed the incident of damage to the OPCSO vehicle to be "Preventable/Chargeable." This includes incidents and crashes where the OPCSO employee shared in some or all of the responsibility for the incident or crash.

The OIG calculated that the total number of incidents which occurred in 2008 was 20 and involved 20 different OPCSO employees. Of the 20 reported incidents of damage to an OPCSO vehicle, 11 were classified as "Non-Preventable" or "Non-Chargeable" by the Advisory Review Board. There were only nine reported incidents in 2008 where the Advisory Review Board deemed the incident of damage to the OPCSO vehicle to be "Preventable/Chargeable."



The OPCSO Risk Manager attributes the significant decline in "Preventable/Chargeable" to the strict adherence to the disciplinary actions provided for in the Accident Review Board's Policies and Procedures (Third Edition). In most cases, any employee involved in a "Preventable/Chargeable" incident is required to attend additional safe driving classes and receives a suspension of driving privileges for varying degrees of time depending on the severity of the incident. In some severe cases, the Advisory Review Board has placed an employee on indefinite suspensions of driving privileges. Currently, there are several cases under review where the employee may be liable for restitution of damage to the OPCSO vehicle.

Commendation: The OIG has determined that the OPCSO Accident Review Board Policies and Procedures are operating effectively to decrease and lessen the incidence and severity of auto crashes involving Sheriff's vehicles as there was a 62% decline from 2007 to 2008 in the number of incidents of damage to OPCSO vehicles that were deemed to be "Preventable/Chargeable." This significant decline resulted in a cost savings, or benefit, of approximately $13,000 in insurance expense for that portion of the OPCSO's vehicle fleet which is commercially insured. Although the OIG has not done an independent review, per the OPCSO, thus far 2009 looks to be on target with the 2008 for the number of incidents for both "Non-Preventable/Non-Chargeable" and "Preventable/Chargeable.

Record Keeping of Maintenance Costs of Vehicle Fleet

Prior to Hurricane Katrina, the OPCSO performed 90-95% of the repairs and maintenance work on their vehicle fleet. The OPCSO Maintenance Garage was totally destroyed during Hurricane Katrina. As a result, the OPCSO has had to outsource a significant amount of the vehicle repairs and maintenance. A new maintenance shop is currently being built and should be completed before the end of the year. The cost of the new facility is $5.5 million. After its completion, the OPCSO will return to performing 90-95% of the repairs and maintenance work in-house. The projected cost savings by performing maintenance in-house versus outsourcing is estimated to be 60-70% of the previous year's out-sourced repairs and maintenance.

The OPCSO temporary maintenance garage currently performs some maintenance in-house such as minor repairs, oil changes, tire replacement and the weekly inspection of vehicles assigned for take-home use, which is required under the OPCSO's Take-Home Vehicle Policies and Procedures, for the purpose of preventative maintenance.

The OIG reviewed the vehicle maintenance logs, checklists, purchase requisitions, invoices, receipts and other supporting documents for 2008. The OPCSO utilizes a manual system which consists of grouping these items by asset number. From these documents, the OIG calculated that the annual cost to repair and maintain the 268 vehicles in the OPCSO fleet was $337,000. This amount is broken down as follows: out-sourced maintenance $232,000, parts and supplies for temporary maintenance garage $56,000 and replacement tires $49,000. The OIG found the manual system inefficient and time consuming to track and analyze maintenance information.

Finding: Maintenance records for the 268 OPCSO vehicles are voluminous and challenging to maintain and store. The manual process of record keeping has inefficiencies that hamper effective vehicle management and operations.

Recommendation: The ability to manage maintenance of these vehicles is vital to OPCSO's success. Assets must be effectively maintained to ensure they operate properly. To achieve this, the organization must have an effective and efficient method for tracking and analyzing maintenance information. The OPCSO should look at budget availability and transition to an electronic system for monitoring maintenance on the vehicle fleet. An electronic system will provide management with the ability to track any and all parts, repairs, maintenance, provide scheduled preventative maintenance, display downtimes, and other matters that pertain to service vehicles which would greatly enhance the management of these assets. Proper management of the vehicle fleet will minimize maintenance cost while increasing asset life, predict asset failures, improve labor productivity, reduce costly down time, minimize investments in inventory and improve operational readiness.

Observation: Prior to Hurricane Katrina, the OPCSO Maintenance Garage utilized certain low risk prison inmates as workers in a program titled "Prison Industry." The purpose of the program was to train these inmates with a life skill that could be utilized in the community upon their release. Per the Vehicle Coordinator, the historical results of this program were extremely successful and the OPCSO plans to reinstate the "Prison Industry Program" when the new Maintenance Garage opens later this year. Of the previous participants, approximately 15 former inmates entered the work force upon their release in the vehicle maintenance industry. Also, three former inmates went on to open their own business subsequent to their release in a related industry such as a body shop, a detailing shop and a small maintenance shop. In addition to operating the prison, the OPCSO hopes to continue to make a positive impact on the inmates by providing rehabilitative life skills that can benefit them upon release.

Fuel Use and Monitoring

The OPCSO utilizes the fuel dispensing and monitoring service provided by the City of New Orleans through its contracts with Retif Oil & Gas, LLC. The procedures over fuel access and use include:

- Each OPCSO vehicle is assigned a vehicle fuel card that identifies the vehicle. The vehicle fuel card is to be kept with the vehicle so that any authorized employee using the card can fuel the vehicle as necessary.
- Each authorized OPCSO vehicle user is assigned a personal identification number (PIN) that identifies the employee that fueling the OPCSO vehicle.
- At each fueling transaction, the person fueling is to enter the odometer reading from the vehicle at the machine located at the fueling station.
- At each fueling transaction, the Retif fueling system records the date, time and fueling location.

With these data points, the fuel system provides weekly reports on fuel use to the City's CAO. The OPCSO receives these invoices from the CAO. The invoices include:

- Vehicle Number
- Date and time of fueling
- Fueling Location
- Odometer reading
- Fuel quantity and price
- Name of individual fueling

The OPCSO Vehicle Coordinator reviews the reports from Retif Oil and identifies any discrepancies or inconsistencies that may indicate any impropriety or an issue that needs to be addressed. If the Vehicle Coordinator identifies a fueling issue, he will contact the investigators for the OPCSO's Special Operations Division (SOD) to follow-up, or investigate the unusual

fueling activity. If an OPCSO employee is found to be guilty of a fueling infraction, disciplinary action may include termination.

The OPCSO Vehicle Coordinator disclosed one OPCSO employee was terminated for a fueling infraction within the past year. This was determined to be an isolated incident with a small dollar value and OPCSO management made the decision not to turn the matter over to the New Orleans District Attorney for prosecution.

The OIG selected one weekly fuel report and reviewed the fueling activity for any unusual fueling transactions. The OIG discussed each instance which appeared to be an unusual fueling activity with the Vehicle Coordinator; however, each of the transactions which had the appearance of an unusual activity, were deemed not to be unusual given the job responsibilities and duties of each individual. This was primarily demonstrated by the type of work performed such as delivering subpoenas or transporting prisoners out of parish prison facilities to and from court in New Orleans. More frequent fuelings are a function of these job responsibilities and duties.

The OIG reviewed the OPCSO fuel invoices for a six month time period in 2008 and calculated that the OPCSO utilizes approximately 225,000 gallons of fuel annually at a cost of $619,000. The City of New Orleans pays the fuel expense of the OPCSO vehicles.

Finding: Although the OPCSO receives the weekly fuel activity reports from the CAO detailing fuel dispensed to the OPCSO, they do not receive a copy of the fuel invoices paid by the City of New Orleans on behalf of the OPCSO.

Recommendation: Best business accounting procedures would dictate that it would be more prudent for the OPCSO to reconcile the total fuel dispensed per the weekly fuel reports to the invoice paid by the City to ensure that the City is not overcharged for the cost of fuel.

Attachment A

CITY OF NEW ORLEANS
OFFICE OF INSPECTOR GENERAL
525 St. Charles Avenue
New Orleans, La 70130-3409
504-681-3200
FAX: 504-681-3230

Marlon Gusman, Sheriff
ORLEANS PARISH CRIMINAL SHERIFF 'S OFFICE
New Orleans, Louisiana

Dear Sheriff Gusman:

Please find enclosed the Performance Review (A&R-20090004) issued in connection with the Office of the Inspector General's ongoing evaluation of the cost and management of the City of New Orleans's passenger type vehicles. This performance review report is restricted to the portion of the fleet that falls under the management of the Orleans Parish Criminal Sheriff.

The Office of the Inspector General conducted an exit conference and discussed the findings and recommendations with appropriate management personnel before submitting this written report. The Office of the Inspector General findings and recommendations are intended to provide the Orleans Parish Criminal Sheriff with advice in implementing enhanced business practices. Management has 30 days to respond. Management's response will be included in the Office of Inspector General's final report.

Based on these observations and analysis, the Office of the Inspector General has concluded that the Orleans Parish Criminal Sheriff's management performance is in substantial compliance with the policies that have been established for the management of passenger vehicles and uses value-added business practices. No activities of mismanagement, fraud, waste or abuse came to our attention. Throughout the engagement, the Orleans Parish Criminal Sheriff worked in the spirit of cooperation and in a timely manner with the Office of the Inspector General staff.

Sincerely,
Leonard C. Odom
Interim Inspector General

cc: Brenda G. Hatfield Ph.D., Chief Administrative Officer, City of New Orleans

Attachment B

Office of the Criminal Sheriff
Parish Of Orleans • State Of Louisiana

Marlin N. Gusman
Sheriff

August 18, 2009

Leonard C. Odom, Interim Inspector General
City of New Orleans
Office of Inspector General
525 St. Charles Avenue
New Orleans, La 70130-3409

Dear Interim Inspector General Odom:

Thank you and your staff very much for the very thorough performance review of OPCSO's policies, management and business practices regarding the operation of our private passenger fleet.

Sheriff Gusman and the staff are pleased with your evaluation conclusion that "no activities of mismanagement, fraud, waste or abuse was determined." Also, your evaluating staff was very cordial, professional and easy to work with. We fully intend to comply with your recommendations and observations. However, there is a minor correction that should be made:

The Risk Manager, Robert W. Martin was hired in 2006 instead of 2004 in part to handle those responsibilities that you outlined, however all vehicle fleet activity is administered and managed by the Chief of Operations and the Supervisor of Fleet Maintenance.

Recommendations Response

Recommendation 1: Take – Home Vehicle Personal Use Charge

We are aware that our application of the take-home use charge for marked OPCSO vehicles is somewhat inconsistent with IRS regulations; however we choose to apply this charge to all take-home vehicles in an effort to be fair and consistent with all users. Legal counsel has advised us that while our application of the take-home use charge is broader than IRS Publication 15-B requirement, it still complies with the overall spirit of the law.

Recommendation 2: Record Keeping of Maintenance Costs of Vehicle Fleet
We agree that a more effective and efficient tracking and analysis system would greatly improve our fleet management capabilities. In fact we are diligently seeking an electronic system that will allow us to closely monitor all maintenance, including repairs, parts and equipment inventory and scheduled preventative maintenance. We hope to have a system in place sometime shortly after the new mechanic facility is completed.

Recommendation 3: Fuel Use and Monitoring
It is our understanding that the city will furnish a copy of all fuel invoices paid by the City of New Orleans on behalf of OPCSO in addition to the weekly fuel activity reports. This will give us the ability to "double check" that there is no overcharge for the cost of fuel that we use. We can then compare our cost results with the City's for verification. Any difference noted would be reconciled and brought to the attention of the fuel supplier.

Inspector Odom again we thank you and your staff for the positive results and comments in this Performance Review.

Please let us know if you have any other questions or need additional information.

Sincerely,

Robert W. Martin

Robert W. Martin,
Director Risk Management/Plant Control

c: Sheriff Marlin N. Gusman
Orleans Parish Criminal Sheriff's Office

RWM/jcj

A copy of this report has been made available for public inspection at the Office of Inspector General for the City of New Orleans and is posted on the Office of Inspector General's website at www.nolaoig.org. Reference should be made to File No. A&R – 2009004. If you need any assistance relative to this report, please contact Leonard C. Odom, Inspector General for the City of New Orleans at (504) 681-3200.

REPORT FRAUD, WASTE, AND ABUSE

To report alleged fraud, waste, abuse, or mismanagement relative to City programs or operations, use one of the following methods:

- Complete complaint form on web site at www.nolaoig.org
- Write to Office of Inspector General for the City of New Orleans, 525 St. Charles Avenue, New Orleans, LA 70130-3409
- Call the Office of Inspector General for the City of New Orleans at (504) 681-3200