

Audit finds improper payment of car expenses

Agency may have paid \$1.4M too much in reimbursements

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The agency that loans out state vehicles and reimburses employees' travel expenses may have improperly paid out as much as \$1.4 million in a 2½ year period, an audit by the Office of the Auditor General found.

That includes money for unnecessary car washes, the report said.

The auditor general's office said the actual waste may have been less, but the agency opted not to investigate further.

"If we pursued it further, they may have been payments that were valid," said audit division administrator Laura Hirst.

The actual total amount is unknown because of the large number of improperly recorded transactions in the records, she said.

The head of the Michigan Taxpayers Alliance said he's not surprised by the findings.

"The great thing about being an auditor general in Michigan is there's always something to do. It would sound to me that this audit is, to a certain extent, par for the course," said Leon Drolet, chair of the group's board of directors and a former Republican representative from Macomb County.

The Auditor General is the non-partisan investigative arm of the Legislature.

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Audit: Blame placed on failure to follow guidelines

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The audit blamed the overspending on a failure to consistently follow state guidelines on what to reimburse and also criticized it for not properly documenting many of the payments.

Proper procedures

Its audit examined selected transactions to determine the efficiency of the Office of Vehicle and Travel Services' actions. The Office of Vehicle and Travel Services is part of the Department of Management and Budget. It maintains a fleet of about 7,300 leased vehicles.

Many of these vehicles are subleased to specific agencies. The largest of these are the State Police with about 1,800 vehicles, the Corrections Department with 1,200 and the Natural Resources Department with 1,000, according to the Office of Vehicle and Travel Services' latest fleet plan.

In half of the cases where the Office of Vehicle and Travel Services

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reimbursed employees for use of personal vehicles for state business, the audit found that proper procedures weren't followed.

In about a quarter of reimbursements, it was not properly documented why an employee was reimbursed at the "premium rate," which is normally used when employees either have pre-approval to use their personal vehicles or were forced to use them because no state car was available.

In about a fifth of reimbursements, the mileage claimed by employees exceeded the length of the trip.

"We took exception only if they exceeded the standard mileage by 10 miles or more," Hirst said. "In those 33 instances, they totaled around 1,440 miles."

That's an average of 44 miles per trip — almost the distance between Ann Arbor and Detroit.

The money wasted on "excessive" car washes was blamed largely on employees violating guidelines for how often a vehicle should be cleaned. Guidelines state that a car shouldn't be washed more than once a week or have interior cleaning more than once a month.

Frequent cleaning

Hirst said that although the once-a-week guideline might seem high, the rules take into account State Police and Corrections vehicles that require more frequent cleaning due to their use on back roads and the number of drunken people they transport.

The report also found that state-owned vehicles are largely underused. About 15 percent were used less than 30 percent of the time.

In response to the audit, the Office of Vehicle and Travel Services said that it's looking at automating and digitizing its record keeping.