



**U.S. International Trade Commission
OFFICE OF INSPECTOR GENERAL**



AUDIT OF THE USITC'S VEHICLE FLEET PROGRAM





UNITED STATES INTERNATIONAL TRADE COMMISSION

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20436

OIG-VV-012

September 28, 2023

MEMORANDUM

TO: David S. Johanson, Chairman

FROM: Rashmi Bartlett, Inspector General *Rashmi Bartlett*

SUBJECT: Audit of the USITC's Vehicle Fleet Program

This memorandum transmits the final report for the Audit of the USITC's Vehicle Fleet Program, OIG-AR-23-07. In finalizing this report, we analyzed management's comments on our draft report and have included those comments in their entirety as Appendix A.

The objective of this audit was to determine if the Commission's vehicle fleet program is operating according to applicable federal fleet requirements for vehicle operations and utilization. The audit determined the Commission's vehicle fleet program did not fully operate according to applicable federal requirements for vehicle operations and utilization.

The report contains six recommendations. In the next 30 days, please provide me with your management decisions describing the specific actions that you will take to implement each recommendation.

We will post this report on our website at www.usitc.gov/oig

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Chapter 1

BACKGROUND

Purpose

The Consolidated Appropriation Act, 2023¹ (2023 Appropriation Act, Public Law 117-328) provided appropriations to federal agencies, including the U.S. International Trade Commission (Commission). Funded agencies were directed to conduct an annual review of fleet utilization during the third quarter of each fiscal year and provide their corresponding Offices of Inspectors General (OIGs) with supporting documentation on the method used for determining optimal fleet inventories and justification for any deviation from the U.S. General Service Administration's (GSA) Federal Property Management Regulations. The 2023 Appropriations Act also gave OIGs the responsibility to conduct annual audits of fleet management practices. The objective of this audit was to determine if the Commission's vehicle fleet program is operating according to applicable federal requirements for vehicle operations and utilization.

Introduction

The Commission leases a 2018 Chevrolet Suburban from the GSA Fleet.² The vehicle is primarily operated by three contract drivers and is used in the Washington, DC metropolitan area to transport:

- Commission staff on official business in the metropolitan area.
- Packages requiring special handling.
- Furniture, equipment, and cargo to and from the Commission.

The Commission's motor vehicle fleet is managed by the Office of Security and Support Services (OSSS). The Support Services Manager oversees the Commission's vehicle fleet program and has assigned the administration of it to the Fleet Manager. The Fleet Manager is responsible for the effective and efficient operation of the Commission's motor vehicle fleet, ongoing maintenance, and compliance and reporting requirements. The Fleet Manager plays other roles within the Commission. Approximately 15 to 20 percent of the Fleet Manager's time is dedicated to managing the vehicle fleet program.

Regulations and Authority

The Federal Management Regulation (FMR) governs the economical and efficient management and control of motor vehicles that the government owns, leases commercially, or leases through the GSA. Among other things, the FMR requires agencies to (1) report vehicle information annually via GSA's Federal Automotive Statistical Tool (FAST), (2) use U.S. government license plates for all government motor vehicles unless exempt, and (3) establish and document a structured Vehicle Allocation Methodology (VAM) to determine the appropriate size, number, and type of motor vehicles needed to meet mission requirements.



Photo: 2018 Chevrolet Suburban leased by the Commission (OIG Photo)

¹ Public Law 117-328, 136 Stat. 4459.

² In addition to the Suburban, the Commission also paid for a GSA-leased 2020 Ford minivan until October 2022.

Prior Reports

On January 30, 2023, the OIG issued [OIG-MR-23-04](#), Management Report: FY 2023 Charge Card Risk Assessment Report. The OIG reviewed the vehicle fleet credit card and recommended that the Commission reevaluate and strengthen, as needed, internal controls over the Commission's GSA Fleet Services Card Program to ensure the adequate management and supervision of the program. Specifically, we recommended that the Commission:

Review and update the annual performance plans of employees involved in the Commission's GSA Fleet Services Card Program, such as the Fleet Manager and Fleet Card Program Coordinator and any others involved in the program, to include fleet card and fleet management-related duties and expectations (4a).

Identify and train another individual who can serve as a backup in the absence of the Fleet Manager and provide basic management to include accessing information in the GSA Fleet Card Management System (4b).

Establish procedures and a frequency for obtaining, reviewing, and storing invoices and any related receipts or documentation for the Commission's GSA Fleet Services Card Program in a shared folder that is backed up (4c).

For each entry on the Fleet Trip Record form, document the business purpose and destination details, including the street address, if applicable (4d).

At the end of each fiscal year, prepare a summary overview of the Commission's GSA Fleet Services Card Program activity, including the total amount the Commission spent and fleet usage (4e).

As of September 2023, the Commission has certified that all actions are complete for recommendations 4a, 4b, 4c, and 4d. A management decision for recommendation 4e is due October 3, 2023.

Chapter 2

RESULTS OF AUDIT

We found that the Commission’s vehicle fleet program did not fully operate according to applicable federal requirements for vehicle operations and utilization. The Commission complied with the annual reporting of fleet inventory data through the FAST system and conducted some analysis on the utilization of the fleet vehicle. However, there were three main areas where the Commission’s vehicle fleet program did not comply with applicable federal fleet requirements:

- (1) The Commission did not conduct the annual vehicle utilization review, as required under the 2023 Appropriation Act.
- (2) The Commission did not conduct a complete Vehicle Allocation Methodology study, as required under GSA’s Federal Management Regulation.
- (3) The Commission’s fleet management information system did not comply with the requirements of the Federal Management Regulation.

Table 1 summarizes the Commission’s compliance with the applicable federal fleet requirements for the twelve months ending June 30, 2023. With one exception related to the submission of motor vehicle budgeting information to the Office of Management and Budget,³ the requirements were applicable regardless of the size of the agency or the level of use of the fleet vehicle.

Table 1. U.S. International Trade Commission Compliance with Federal Fleet Requirements

Requirements (Authority)	Compliance Met?
Conduct an annual review of fleet utilization in the third quarter of each fiscal year. (Consolidated Appropriation Act, 2023 (Public Law 117-328))	✘
Meet the applicable Government motor vehicle identification requirements. (FMR - 41 CFR 102-34.90)	✔
Annually submit fleet information to the GSA through the FAST tool. (FMR - 41 CFR 102-34.335)	✔
Annually submit motor vehicle budgeting information to the Office of Management and Budget through the FAST tool. (FMR - 41 CFR 102-34.335)	Exempt
Establish and document a structured vehicle allocation methodology. (FMR - 41 CFR 102-34.50)	✘
Have a fleet management information system that satisfies FRM requirements. (FMR - 41 CFR 102-34.340)	Partially met
Meet the official use of Government motor vehicle requirements. (FMR - 41 CFR 102-34.20)	✔

Source: OIG analysis of applicable federal fleet requirements, July 2022 to June 2023

³ The Commission is exempt from submitting the annual fleet budget summary and fleet management plans to the Office of Management and Budget because the Commission’s annual budget is not subject to Executive Branch review.

1. The Commission Did Not Conduct the Annual Vehicle Utilization Review

The 2023 Appropriation Act directed the Commission to conduct a review of fleet utilization and provide the OIG with supporting documentation for optimal fleet inventories and a justification for any deviation from GSA regulations. The Commission did not conduct an annual vehicle utilization review in the third quarter of FY 2023, as required by the 2023 Appropriation Act.

When the OIG inquired about the annual vehicle utilization review, the Support Services Manager stated that, with only one vehicle in the fleet and an ongoing mission requirement for a vehicle suitable for transporting small groups of staff, the Commission decided not to perform the annual review of utilization. The Commission did not document its rationale for this decision, or update policies and procedures with a process for making a review determination annually.

Motor vehicle utilization can be measured through various criteria including miles, hours of use, number of trips, and fuel consumption. Therefore, a utilization review of motor vehicles should be performed annually to justify the retention of existing vehicle(s) and the disposition of excess vehicle(s) not needed to fulfill the mission requirements.

Source: OIG analysis of Department of Energy Fleet Management Handbook, DOE-HDBK-7251-2016. Issued: September 2016.

Without the annual vehicle utilization review, the Commission is not in compliance with the statutory requirements under the 2023 Appropriation Act. In addition, without establishing appropriate utilization criteria and conducting the annual utilization review for the leased Suburban, the Commission cannot effectively justify to GSA the retention of the existing fleet level to support mission requirements.

2. The Commission Did Not Conduct a Complete Vehicle Allocation Methodology (VAM)

According to the GSA's Federal Management Regulation (41 CFR 102-34.50(b)), federal agencies must establish and document a structured VAM to determine the appropriate number and size of motor vehicles needed to fulfill their mission requirements at least every five years. GSA Bulletin FMR B-43, Motor Vehicle Management, provides guidance on conducting the VAM study. Table 2 illustrates the Commission's completion of VAM process steps, as outlined in the GSA bulletin.

Table 2. U.S. International Trade Commission Completion of Vehicle Allocation Methodology Process Steps

Vehicle Allocation Methodology Process Steps	Completed?
Develop vehicle utilization criteria to justify mission-essential vehicles, such as historical usage, trips per month, number of passengers, etc.	<input type="checkbox"/>
Conduct a utilization survey to identify vehicles that meet the utilization criteria. This includes collecting data about each vehicle, such as what tasks were accomplished while using the vehicle and how those tasks supported the agency's mission.	<input type="checkbox"/>
Identify critical mission vehicles to determine if any missions require vehicle retention regardless of utilization.	<input checked="" type="checkbox"/>
Determine optimal fleet inventory, including a comparison of the existing fleet composition to mission needs.	<input checked="" type="checkbox"/>
Acquire and dispose of vehicles to achieve the optimal fleet Profile.	<input checked="" type="checkbox"/>

Source: OIG analysis of VAM requirements and Commission fleet program data, July 2022 to June 2023.

Until October 2022, the Commission leased a 2020 Ford minivan, which was returned to the GSA due to diminishing use. Although the Commission analyzed some of the same attributes

that are required for the VAM when it made the determination to eliminate the Ford minivan from its fleet, the Commission’s analysis was limited and did not include the information needed for key components of the VAM study. Specifically, the Commission’s 2022 analysis did not conduct a utilization survey or develop utilization criteria to justify a vehicle in the Commission’s fleet. In addition, the Commission does not have established policies and procedures to conduct the VAM study on a regular basis, nor has it performed a full VAM study in the past.

The VAM study helps determine the most efficient fleet necessary to complete an agency’s mission. Without a comprehensive VAM study, the Commission does not have the support required under the FMR to demonstrate that the Commission has identified the most efficient inventory of vehicles needed to accomplish mission requirements.

3. The Commission’s Fleet Management Information System Did Not Comply with Federal Management Regulation (FMR) Requirements

The FMR⁴ states that a fleet management information system must exist at the department or agency level to provide the information necessary to satisfy both internal and external reporting requirements. As shown in Table 3, the Commission complied with the fleet management information system requirements for tracking fuel costs for each motor vehicle and the data required for FAST reporting; however, it did not meet the requirements for tracking the cost per mile.

Table 3. U.S. International Trade Commission’s Compliance with Federal Management Regulation Requirements for Fleet Management Information Systems

FMR Requirements Pertaining to Fleet Management Information System	Compliance Met?
Tracking cost per mile	✘
Tracking fuel costs for each motor vehicle	✔
Data required for FAST reporting	✔

Source: OIG analysis of Commission fleet management data, June 2022 to July 2023.

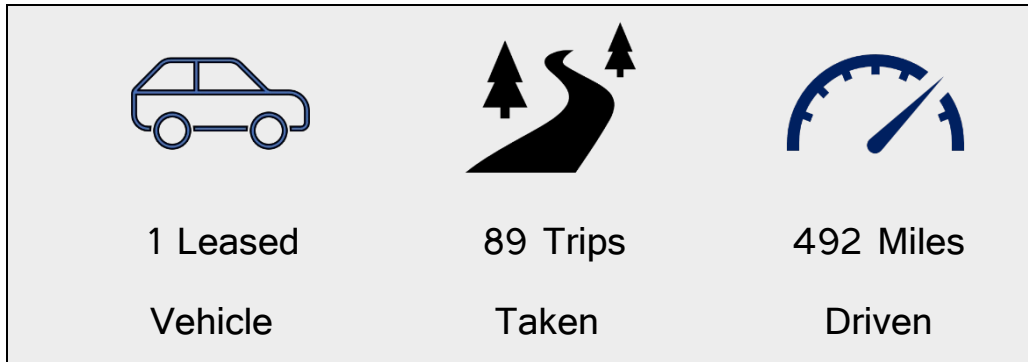
The Commission utilizes an internal SharePoint site as its fleet management information system. Monthly trip logs containing pertinent trip information. The date of the trip, miles driven, and any fuel purchases are documented in the trip log. Logs are scanned and saved on the Commission’s SharePoint site and reviewed by the Fleet Manager monthly. The trip logs contain fuel costs as well as the information required to complete the Commission’s annual reporting of vehicle-level data to the GSA through the FAST tool. The Commission does not track cost per mile driven in its internal system. When we inquired about the Commission’s compliance with this requirement at the fleet management information system walkthrough, the Fleet Manager and Support Services Manager explained that the Commission’s one vehicle is not heavily used.

During the period of our review from June 2022 to July 2023, the Commission spent \$6,189 in lease payments to the GSA. Besides the monthly lease payments, the Commission incurred de minimis fuel and maintenance costs associated with operating the vehicle. The Commission did not track the staff hours spent managing the vehicle fleet program or the cost of contract drivers.

⁴ 41 CFR § 102-34.340

Figure 1 shows the limited use of the vehicle.

Figure 1. Use of the U.S. International Trade Commission GSA-Leased Vehicle



Source: OIG review of GSA and Commission data on vehicle usage.

Cost Per Mile Tracking Details

In June 2023, in response to [OIG-MR-23-04](#), Management Report: FY 2023 Charge Card Risk Assessment Report, the Commission agreed to prepare a report outlining the total amount the Commission spent on the vehicle fleet program including fleet usage at the end of each fiscal year starting in October 2023. In addition, the Commission's Office of Security and Support Services, in response to the same OIG report (OIG-MR-23-04), updated the Vehicle Management and Fleet Card job aid. However, the job aid did not include instructions for tracking the cost per mile driven.

The GSA calculated that the Commission spent \$22.80 per mile for the Chevrolet Suburban leased vehicle in FY 2022. Although the Commission's cost per mile for the Chevrolet Suburban was lower before FY 2020, the current cost is higher than all SUV class vehicles at federal agencies that the GSA tracked in FY 2022. Out of the 45 federal agencies reported in the GSA's FY 2022 Federal Fleet Report, 37 agencies had an SUV cost per mile of less than two dollars. Seven agencies had costs between two and ten dollars. The Commission was the only federal agency with a cost per mile exceeding twenty dollars in the SUV class. The Commission had not calculated the cost per mile nor asked GSA for the information.

The OIG acknowledges the agency's rationale for not spending additional time monitoring a vehicle that was used for less than 500 miles in a twelve-month period. However, in the FMR requirements, there is no minimum inventory requirement, usage threshold, or discretion to waive calculating cost per mile driven. The Commission is still required to track cost per mile driven for vehicle fleet trips. Tracking this information regularly can inform the Commission's management as to whether adjustments to the vehicle fleet program are needed.

Training and General Knowledge

The Fleet Manager and Support Services Manager were unaware of some of the federal fleet requirements and had not taken the GSA training to learn more about the program and compliance requirements. Training courses for vehicle fleet customers vary in time commitment from a monthly one-hour webinar with a question-and-answer session that allows the customers to consult directly with the subject matter experts to an annual, multi-day, in-person training

session called FedFleet, which covers a wide range of fleet-related topics and does a deep dive into fleet management policy and best practices.

Recommendations

We recommend the Commission:

1. Develop internal guidance and processes to ensure the Commission conducts the annual fleet utilization review in the third quarter of each fiscal year.
2. Conduct a complete Vehicle Allocation Methodology study for all vehicles in the Commission's motor vehicle fleet every five years to produce a profile of optimal fleet inventory.
3. Track cost per mile driven in the Commission's fleet management information system.
4. Update the Office of Support Service Job Aid – Vehicle Management and Fleet Card – to address Federal Management Regulation requirements.
5. Determine whether the Commission's cost per mile for the fleet vehicle can be reduced and explore whether other viable modes of transportation would be a more cost-effective means of satisfying mission requirements.
6. Identify training or consultation opportunities for agency fleet officials to improve awareness of federal fleet management requirements and best practices.

Management Comments and OIG Assessment

On September 22, 2023, Chairman David Johanson provided management comments on the draft report. In his response, the Chairman said that the Commission conducted almost no official travel in FY 2022 due to the pandemic. The Chairman explained that the Commission has already begun broadening its use of the vehicle for official business-related travel in a wider geographic area to increase workforce efficiency and reduce the vehicle's operating cost per mile.

The Chairman agreed with the audit findings on the vehicle fleet program matters. He stated that the Commission would provide management decisions to address the six recommendations in the report. The full response from the Chairman is in Appendix A.

Objective, Scope, and Methodology

The objective of this audit was to determine if the Commission's fleet program is operating according to applicable federal fleet requirements for vehicle operations and utilization. We reviewed federal regulations and guidance including Part 102-34 of the FMR on motor vehicle management and analyzed the Commission's internal policies and procedures related to the management of its vehicle fleet. We interviewed the Commission's Fleet Manager and the Support Services Manager to gain an understanding of oversight processes and control procedures related to vehicle operations, and utilization.

We reviewed the Commission's compliance with required sections of the FMR. Specifically, we checked and confirmed the annual reporting of vehicle-level data to the GSA through the FAST system was complete, and no significant issues were found. In June 2023, we performed a visual inspection of the vehicle to make sure federal motor vehicle identification requirements were met, as required by the FMR.

We requested and received a walkthrough of the Commission's fleet management information system including the GSA Fleet portal and the internal SharePoint site from the Office of the Security and Support Services. We reviewed the monthly trip logs from July 2022 through June 2023 and reconciled them with the log generated from the Commission's vehicle reservation system.

During our audit, we assessed the Commission's review of the fleet management program's internal controls, as well as the Commission's compliance with laws and regulations relevant to our audit objective. No specific instances of fraud, abuse, or significant violations of laws and regulations were detected during our audit.

We conducted this audit from June 2023 through September 2023 in accordance with generally accepted government audit standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix A: Management Comments



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

C083-VV-002

September 22, 2023

MEMORANDUM

TO: Rashmi Bartlett, Inspector General

FROM: David S. Johanson, Chairman


SUBJECT: Response to Draft Audit Report– Audit of the USITC’s Vehicle Fleet Program

Thank you for the opportunity to review and provide comments to the draft audit report – Audit of the USITC’s Vehicle Fleet Program

We appreciate the need to comply in all regards with federal regulations regarding vehicle fleet operations, and we anticipate implementing appropriate procedural changes in our program to achieve and maintain compliance. Just to provide some additional context, from June 2021 until May 2022 the Commission was operating under a “Limited Building Occupancy” with maximum telework status. Moreover, during Fiscal Year 2022, the Commission conducted almost no official travel due to almost the entire country being shut down due to the pandemic. Considering this posture, the Commission evaluated our vehicle usage and determined to return one of our two vehicles to GSA last year. As the Commission and the country move further away from the heart of the pandemic, we will continue to analyze our longer-term work posture, including the usage and procedures for the Commission vehicle within the framework of GSA procedures and regulations. The Commission has already begun broadening its use of the vehicle for official business-related travel in a wider geographic area that might otherwise have been undertaken with more expensive transportation alternatives. The effect of this will be to increase our workforce efficiency and to reduce the vehicle’s operating cost per mile.

We agree with the audit findings on the vehicle fleet program matters. The Commission will develop management decisions to address the six recommendations in the draft report.

Thank You,


David S. Johanson, Chairman



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