

Federal Housing Finance Agency
Office of Inspector General



**Compliance Review of the Agency's
Maintenance of Vehicle Use Logs
and
Training its Employees on
Vehicle Use**

Compliance Review • COM-2020-004 • July 21, 2020



COM-2020-004

July 21, 2020

Executive Summary

The Federal Housing Finance Agency (FHFA or Agency) maintains vehicles that employees are permitted to use for the purpose of conducting Agency business. In the case of the Director and Agency executives, the Agency makes both vehicles and drivers available.

In 2016, the Office of Inspector General (OIG) conducted an administrative investigation into anonymous allegations that a senior FHFA employee was misusing Agency vehicles and employees. In December 2016, we issued a report in which we found that the Agency had failed to maintain vehicle usage logs properly and that personnel responsible for providing transportation were not familiar with applicable motor vehicle use regulations and policy.

We recommended that the Agency maintain detailed vehicle usage logs and that it provide appropriate training to employees tasked with providing FHFA transportation to the Director and other FHFA employees. The Agency agreed with our recommendations and implemented corrective actions; specifically, it issued a new vehicle use policy and conducted training on the policy, as well as on the underlying legal requirements. Accordingly, we closed our recommendations on August 8, 2017.

We conducted this compliance review to test whether, consistent with FHFA policy, Agency personnel completed and maintained detailed logs for all FHFA vehicles. In addition, we sought to verify that the Agency provided appropriate training to its transportation staff. We obtained and reviewed the logs for both executive vehicles and for the vehicles made available for general use by non-executive Agency personnel. In addition, we assessed the Agency's efforts to ensure that employees responsible for providing transportation are familiar with the legal and policy requirements to which they are subject.

We found that the Agency implemented the corrective actions it had undertaken. Its compliance rate for the preparation and maintenance of detailed logs for vehicle usage exceeds 99%. Further, we found that the Agency provides reasonably adequate training to ensure that responsible personnel understand and adhere to applicable vehicle usage requirements.

This report was prepared by Assistant Inspector General for Compliance and Special Projects David M. Frost. We appreciate the cooperation of FHFA staff, as well as the assistance of all those who contributed to the preparation of this report.



COM-2020-004

July 21, 2020

This report has been distributed to Congress, the Office of Management and Budget, and others and will be posted on our website, www.fhfaog.gov.

/s/

Brian Baker

Acting Deputy Inspector General for Compliance and Special Projects

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ABBREVIATIONS

FHFA or Agency	Federal Housing Finance Agency
JPP	Job Performance Plan
OIG	Federal Housing Finance Agency Office of Inspector General
Review Period	September 1, 2018 – March 31, 2020

BACKGROUND.....

Our 2016 Report

On December 6, 2016, we issued a report detailing the findings of our administrative investigation into anonymous allegations that a senior FHFA employee was using Agency vehicles and employees in a manner inconsistent with law and regulation.¹ Our report made several findings, including that the Agency did not maintain vehicle usage logs properly and that Agency officials responsible for providing transportation were not familiar with applicable motor vehicle use regulations and policy.

To correct these two shortcomings, we made seven recommendations.

Closure of the Recommendations in Our 2016 Report

The Agency agreed with all of our recommendations and reported subsequently that it was undertaking corrective actions.

Two of these seven recommendations are the subject of this compliance review:

- Recommendation 4: The Agency should “[m]aintain detailed usage logs for all leased vehicles.”
- Recommendation 5: The Agency should “[t]rain employees tasked with providing FHFA transportation to the Director and other FHFA employees with the statutory and regulatory requirements.”

On June 13, 2017, the Agency’s General Counsel provided a memorandum explaining the completed corrective actions for Recommendation 4 and materials demonstrating that Recommendation 5 on training had been implemented.

According to the memorandum, FHFA revised its Official Use of FHFA Vehicles Policy (revised policy) to track applicable legal and regulatory requirements; the revised policy was attached to the memorandum. Under the revised policy, Agency employees and contractors would be required to complete and maintain a detailed vehicle use log for all FHFA vehicles. Evidence submitted by the General Counsel reflected that the Office of General Counsel provided training to FHFA transportation staff regarding the policy and associated legal requirements. The Agency also created vehicle operation instructions (procedures) to

¹ OIG, *Administrative Investigation of an Anonymous Hotline Complaint Alleging Use of FHFA Vehicles and FHFA Employees in a Manner Inconsistent with Law and Regulation* (Dec. 6, 2016) (OIG 2017-001).

implement the revised policy’s requirement for detailed vehicle use logs. Specifically, drivers must review the revised policy and note on each log entry the destination and the beginning and ending mileage. Drivers are also required to sign and date the log entry.

Based on our review of the Agency’s actions, we closed the recommendations on August 8, 2017.

FINDINGS

We tested whether the Agency fully implemented the corrective actions adopted for Recommendations 4 and 5 during the period September 1, 2018, through March 31, 2020 (review period). Specifically, we sought to determine whether: (1) Agency employees and contractors completed and maintained detailed Vehicle Use Logs for all FHFA vehicles consistent with the policy; and (2) the Agency provided training to FHFA transportation staff regarding the revised policy, procedures, and associated legal requirements.

1. Corrective Action for Recommendation 4: FHFA Completed and Maintained Detailed Vehicle Use Logs for Each Vehicle in Accordance with the Policy

As explained earlier, the Agency issued a revised policy and procedures requiring Agency drivers to maintain logs for usage of Agency vehicles. For each use of an Agency vehicle, the following information must be recorded in the log: name (printed and signed) of vehicle driver, date of each trip, destination, and mileage.

Between September 2018 and early February 2019, FHFA documents show that the Agency leased six vehicles from the General Services Administration (GSA) and leased one vehicle commercially. Beginning in early February 2019, the Agency leased five GSA vehicles and ended its commercial lease. During the 19-month review period, FHFA reported that two of the vehicles maintained by the Agency were used primarily for executive transportation.

For this compliance review, we sought and obtained vehicle use logs for all of the vehicles used by FHFA during the review period, including both executive and non-executive vehicles.

The Agency also provided us with quarterly usage reports that it created and maintained.

Logs for Vehicles Used for Executive Transportation

Our review of the Agency's logs and quarterly reports² for the two vehicles used for executive transportation found that they were used for a total of 431 trips during our review period. We determined that the Agency's logs for these 431 trips followed the revised policy: the log entry for each of these trips contained the name of the driver, destination, and mileage before and after the trip.

With completed logs for all of the 431 trips, the compliance rate was 100%.

Logs for Vehicles Used for Non-Executive Transportation

Our review of the Agency's logs for other vehicles used for non-executive transportation found a total of 341 trips.³ We determined that the Agency's logs for 338 of these 341 trips followed the revised policy: the log entry for each of these 338 trips contained the name of the driver, destination, and mileage before and after the trip. For the remaining three trips, FHFA did not produce log entries for two, and the log entry for the third trip did not identify the driver or include the signature or the date.

With completed logs for 338 out of 341 trips, we calculated a compliance rate greater than 99%.

2. Corrective Action for Recommendation 5: FHFA Provided Training to Agency Drivers and Incorporated Training and Compliance with the Revised Policy into the Drivers' Performance Management Assessments

The second recommendation, Recommendation 5, which FHFA accepted, was that the Agency should "train employees tasked with providing transportation to the Director and other FHFA employees with the statutory and regulatory requirements." We closed the recommendation based on our review of materials provided by the Agency's General Counsel that training had been provided to those personnel.

In this compliance review, we sought to determine whether the Agency had taken steps to ensure that employees responsible for providing transportation remained current in their knowledge of the revised policy.

Between September 2018 and September 2019, five FHFA officials were responsible for providing transportation to Agency employees. These included the Associate Director for

² The Agency prepares quarterly reports of its vehicle usage, reflecting the date, destination, mileage, and driver for each trip taken that quarter.

³ These vehicles are for use, as available, to FHFA employees and contractors.

Agency Operations, a Supervisory Security Specialist, and four drivers. An additional driver was hired in September 2019 and worked through the duration of the review period.

We reviewed updates to the revised policy and identified one substantive change. The revised policy now includes (since October 2019) an expanded list of transportation priorities (i.e., a more detailed explanation of the order in which requests for use of an Agency vehicle would be honored). In addition, we noted a clarification in the revised policy stating that employees could not use their own insurance or private mechanics to repair Agency vehicles.

To determine whether FHFA provided training to its drivers on any new requirements and reinforced prior training on the requirement to maintain logs, we sought information about any such training. FHFA advised that its Supervisory Security Specialist “had numerous group and individual meetings” with the three drivers in order to ensure that they understood the revised policy and the substantive change and clarification. We requested and obtained notes from meetings at which the Supervisory Security Specialist discussed the revised policy update and clarification. The notes confirm that, in the context of performance discussions, drivers were reminded to familiarize themselves with “which executives the various assistants support,” as well as executive transportation requirements generally. In addition, the Agency represented that drivers had been briefed on the prohibition on use of individual insurance and private mechanics.

With respect to training the newly hired driver, FHFA reported that he was given a copy of the revised policy on October 28, 2019, and instructed to review and adhere to it.

To ensure that its drivers remain current in their knowledge of the requirements in the revised policy, FHFA requires each driver to review the revised policy every time a driver uses a vehicle. FHFA reported that a copy of the revised policy is included in a binder located in each vehicle; the form for the vehicle usage log requires the driver both to review the revised policy and to sign the form, indicating that he or she has done so.⁴

FHFA explained that its performance management system is used to reinforce the need for driver understanding of the requirements in the revised policy. It reported that the drivers’ performance appraisals (JPPs) incorporate directives in the revised policy, which we confirmed in our review of several JPPs. We also reviewed notes of meetings held by FHFA’s Supervisory Security Specialist with FHFA drivers and found discussion of the requirements in the revised

⁴ The same policy applies to non-executive employees wishing to use an Agency vehicle for official purposes; they, too, are required to review the policy before every trip and sign a form indicating that they have done so.

policy and FHFA’s intention to assess driver compliance with the revised policy through driver JPPs and annual reviews.⁵

Based on the foregoing, we conclude that the Agency has provided reasonably adequate training on its revised policy to personnel tasked with providing FHFA transportation to FHFA employees.

CONCLUSION.....

Based on our review, we conclude that the Agency has fully implemented both Recommendations 4 and 5.

⁵ The Agency highlighted that the driver JPPs also required them to “Provide courteous timely, and safe transportation to executive staff members in accordance with [the revised policy]” and to “Drive vehicles in a safe manner [and] [o]bey all traffic laws of federal, state or local jurisdictions” in accordance with the revised policy.

OBJECTIVE, SCOPE, AND METHODOLOGY

We initiated this compliance review in March 2020 to determine whether FHFA complied with two recommendations in the underlying report.

To accomplish our objective, we obtained copies of vehicle use logs maintained by the Agency, as well as quarterly vehicle usage reports. Having obtained and reviewed these, we obtained a selection of Outlook reservation forms supporting individual instances of executive travel. In addition, we conducted select telephone interviews and propounded written questions to which the Agency responded.

We conducted our compliance review from March 2020 through June 2020 under the authority of the Inspector General Act of 1978, as amended, and in accordance with the *Quality Standards for Inspection and Evaluation* (January 2012), which were promulgated by the Council of the Inspectors General on Integrity and Efficiency.

We provided a draft of this report to FHFA for its review and comment.

APPENDIX: FHFA MANAGEMENT RESPONSE.....



Federal Housing Finance Agency

MEMORANDUM

TO: Brian Baker, Acting Deputy Inspector General
Office of Compliance and Special Projects

FROM: Katrina D. Jones, Associate Director Agency Operations
Office of Facilities Operations Management

SUBJECT: Draft Compliance Review: *Compliance Review of the Agency's Maintenance of Vehicle Use Logs and Training its Employees on Vehicle Use*

DATE: July 16, 2020

KATRINA
JONES

Digitally signed by
KATRINA JONES
Date: 2020.07.16
09:56:45 -04'00'

Thank you for the opportunity to respond to the Office of Inspector General's (OIG) draft compliance review titled, *Compliance Review of the Agency's Maintenance of Vehicle Use Logs and Training its Employees on Vehicle Use*. The OIG staff tested whether Agency personnel completed and maintained detailed vehicle use logs consistent with Agency policy and verified that the Agency provided appropriate training to its transportation staff.

I am pleased that the review concluded that the Agency continued our corrective actions to address the recommendations, and found that the compliance rate for the preparation and maintenance of detailed logs for vehicle usage exceeds 99% and the Agency provides reasonably adequate training to its transportation staff.

I would like to acknowledge the dedicated OIG staff that worked with the Agency during this compliance review.

If you have any questions related to our response, please do not hesitate to contact me.

cc: Chris Bosland
Kate Fulton
John Major

ADDITIONAL INFORMATION AND COPIES.....

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