

GAO

Report to the Chairman, Subcommittee
on the District of Columbia, Committee
on Appropriations, House of
Representatives

April 1999

DISTRICT OF
COLUMBIA

Private Use of
Official Vehicles



General Government Division

B-281973

April 9, 1999

The Honorable Ernest J. Istook
Chairman, Subcommittee on the
District of Columbia
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

This letter responds to the April 30, 1998, request of the Subcommittee on the District of Columbia, Committee on Appropriations, for information on the status of the District of Columbia government's compliance with section 150(a)(1) of Public Law 105-100—the District of Columbia Appropriations Act for Fiscal Year 1998, which was approved on November 19, 1997—and any violations of this provision.¹ Under this provision, funds made available by this appropriations act or any other act may not be used to provide an officer or employee of the District with an official vehicle unless it will be used only in the performance of official duties.² Section 150(a)(1) also provides that except for police officers who reside in the District, the term “official duties” does not include travel between the officer's or employee's residence and workplace.

As agreed with the Subcommittee, the objectives of this review were to determine (1) whether any District employees were authorized, as of September 1998, to take home official vehicles and (2) if so, whether these employees were aware of the statutory restriction on using District government vehicles for other than official business, including home-to-work transportation. To accomplish these objectives, we sent a questionnaire in September 1998 to or interviewed the heads of 46 District entities asking them if anyone in their entity was authorized to take home an official vehicle and, if so, who these individuals were and why were they authorized to take home vehicles. These entities were identified in the District of Columbia Public Vehicle Report, as of September 30, 1997, as

¹With minor modifications, the restriction contained in section 150(a)(1) of Public Law 105-100 was continued in the District's fiscal year 1999 appropriations act.

²Funds made available by the District's fiscal year 1998 appropriations act include money appropriated by Congress; local money, such as District tax revenue; and other money, such as school tuition.

having vehicles under their control.³ Appendix I contains a list of the 46 entities. In addition, we sent a questionnaire to 22 judgmentally selected individuals listed in the District's Public Vehicle Report as having been authorized to take home vehicles as of September 30, 1997, asking them if they had been informed of the restriction and, if so, how this information was conveyed to them.

Results in Brief

All of the 46 District entities reported to have vehicles as of September 30, 1997, now report compliance with the prohibition against using appropriated funds for government vehicles taken home by employees. In response to our September 1998 questionnaire to or interviews with the 46 District entities that had vehicles under their control, 37 entities reported that they did not authorize anyone to take home a public vehicle. The remaining 9 entities reported that 44 employees were authorized to take home a public vehicle. Subsequently, 8 of the 9 entities told us that 21 employees who were still authorized as of September 1998 to take home public vehicles were no longer doing so. The other entity, the District of Columbia Housing Authority (DCHA), which had 23 employees authorized to take home public vehicles, plans to comply with the law by funding the cost of vehicles that are taken home with nonappropriated funds. We concur that the statutory restriction does not prohibit DCHA from spending its nonappropriated funds on vehicles that are taken home.

We also contacted the 10 entities identified in the District's Public Vehicle Report as allowing vehicles to be taken home as of September 30, 1997, about steps they had taken to inform their affected employees of the restriction on this practice. Officials at these 10 entities said that they had notified their staff of the change in the law. Twenty-one of the 22 District employees we contacted who were authorized to take home vehicles as of September 30, 1997, were aware of the restriction. The remaining employee said that his entity had not notified him of the change in policy, but when he became aware of it from our survey, he stopped taking home a vehicle.

Background

On November 19, 1997, Congress passed Public Law 105-100, the District of Columbia Appropriations Act for Fiscal Year 1998. Section 150(a)(1) of the law states the following:

³One agency, the District of Columbia Sports Commission, was not listed in the report. Another entity, the Department of Health, was not in existence at the time of the report. Both of these entities were covered in our review. Another entity listed in the report was not included in our review. This entity, the Civilian Complaint Review Board, no longer exists.

“None of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer’s or employee’s official duties. For purposes of this paragraph, the term ‘official duties’ does not include travel between the officer’s or employee’s residence and workplace (except in the case of a police officer who resides in the District of Columbia).”

In addition, section 150(a)(2) of the law required the District’s Chief Financial Officer to submit an inventory by December 15, 1997, of all the vehicles that were owned; leased; or operated by the District government as of September 30, 1997. This inventory was to indicate, among other things, whether a vehicle was allowed to be taken home by a District officer or employee and, if so, the officer’s or employee’s title and place of residence.

The Public Vehicle Report, which was submitted to Congress on December 15, 1997, stated that as of September 30, 1997, District officials or employees were authorized to take home 321 of the 5,750 vehicles that were owned or leased by the District government. The report noted that these authorizations were generally limited to entity directors and those public safety personnel needing to respond immediately to emergencies and life-threatening situations.

The report also stated that employees had been authorized to take home vehicles under Mayor’s Order 94-38, Vehicle Utilization Policy, dated February 18, 1994. The general policy set forth in this order was that unless the mayor or city administrator designated otherwise, the use of District vehicles was to relate to official District business and work activities; all other uses were prohibited. The order allowed agency heads or their designees to designate take-home vehicles within their agency. It defined a “designated take-home” vehicle as a passenger vehicle assigned to a specific employee who was permitted to take home a vehicle during off-duty hours to provide 24-hour contact and emergency response for governmental purposes during times other than normal working hours. Use of these vehicles for nonofficial purposes was strictly prohibited. Agency heads were authorized to approve take-home assignments when they deemed that overnight availability of the vehicle was in the best interest of the District, and that the task(s) to be done during off-duty hours required immediate travel to a job location.

On February 6, 1998, the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) wrote to the Chairman of the Subcommittee on the District of Columbia, House Committee on Appropriations, requesting a legislative modification to

section 150(a) at the earliest opportunity.⁴ The Authority Chairman requested an exception to the restriction for the public safety entities of the District—the Metropolitan Police Department, the Fire and Emergency Medical Services Department, and the Department of Corrections—whose officials and employees must respond to emergency situations during nonduty hours.

The Authority Chairman also sought exceptions for other entities that would have to meet one of two criteria that he outlined in his letter. These criteria were as follows: (1) the employee is subject to after-hours recall in emergency situations on an average of at least six times per month or (2) the employee must respond to after-hours emergency calls at field locations with specialized equipment. These latter employees included, but were not limited to, those requiring special communications equipment; weapons; and specially trained animals. Finally, the Authority Chairman asked that section 150(a) be amended to enable him to permit exceptions on a case-by-case basis.

On March 18, 1998, the Subcommittee Chairman responded to the Authority Chairman's letter advising him that although statutory amendments to modify the act would be considered in connection with the District's 1999 appropriations act, neither a congressional committee nor the Authority are authorized to allow the expenditure of funds prohibited by statutory language. Although the restriction on the use of official vehicles was included in the District's fiscal year 1999 appropriations act, it was modified to allow the chief of the Metropolitan Police Department to designate police employees living outside of the District to take home vehicles.

Prior to our work beginning, nine entities that authorized take home vehicles, as of September 30, 1997, had rescinded authorizations for their employees to take home a vehicle between November 1997 and March 1998. Three of these nine entities withdrew the authorizations in two steps. Most of the total authorizations for the police, fire, and correction departments were rescinded in November and December, 1997.⁵ However,

⁴As a result of the District's financial crisis in 1994, Congress established the District of Columbia Financial Responsibility and Management Assistance Authority, consisting of five board members who were appointed by the President, to oversee District operations. The Authority was to eliminate budget deficits and cash shortages of the District, ensure the most efficient and effective delivery of services, and conduct necessary investigations and studies to determine the fiscal status and operational efficiency of the District.

⁵The police withdrew the authorizations for those individuals not living in the District. As of June 1998, the police had 110 police officers living in the District who were authorized to take home vehicles.

the police, fire, and correction departments did not withdraw authorizations for 18, 6, and 15 individuals, respectively, until as late as February or March, 1998. Of the other six entities, three rescinded authorizations in November 1997, two in December 1997, and one in February 1998.

Appendix II, table II.1, shows these nine entities, the estimated number of employees in each entity who were authorized to take home a vehicle after the passage of the law, and the dates on which the entities withdrew authorizations. The basic reason provided by the police, fire, and corrections department officials for the delay in rescinding all of the authorizations was that there had been some confusion in the entities since the law passed about whether the law applied in all situations and whether exceptions could be granted.

Scope and Methodology

To determine whether District employees had been authorized to take home official vehicles, we sent a questionnaire in September 1998 to or interviewed the heads of 46 District entities. We asked them if anyone in their entity was authorized to take home a vehicle; if the answer was yes, we requested the names of the individuals and the reasons for the authorization. In addition, we contacted the Authority and the new Office of the Chief Management Officer to determine if either had been assigned any vehicles; neither had been.

To determine what actions the entities had taken in fiscal year 1998 to inform their employees of the new restriction on taking home official vehicles, we interviewed District officials at the 10 entities that the District reported had authorized vehicles to be taken home as of September 30, 1997. These entities were the Metropolitan Police Department, the Department of Corrections, the Department of Human Services, the Department of Public Works, the Metropolitan Fire and Emergency Medical Services Department, the Department of Consumer and Regulatory Affairs, the District of Columbia Public Schools, the Department of Housing and Community Development, the Department of Administrative Services, and the Office of the City Administrator. We also included the new Department of Health because several positions transferred to it had authority to take home vehicles in fiscal year 1997.

We also contacted individuals who had been authorized as of September 30, 1997, to take home official vehicles to determine if they knew about the change in the law. We judgmentally selected a sample of 22 individuals from the 321 individuals listed in the District's 1997 Public Vehicle Report. From the 10 entities that were reported as having authorized vehicles to be

taken home at the end of fiscal year 1997, we selected 1 employee from each of 5 entities, 2 employees from each of 3 entities, and 11 Police Department employees. For the 10th entity, the 1 employee authorized to take home a vehicle no longer worked for the agency. The number of employees selected was based on the number of employees reported as being authorized by each entity to take home a vehicle. For example, the entities with only 1 person selected had from 1 to 4 individuals authorized to take home a vehicle whereas the Police Department, which had 11 persons selected, had 232 individuals authorized to take home a vehicle. We sent each of the selected employees a questionnaire asking if the employee was aware of the statutory restriction on taking government vehicles home and, if so, how he or she learned about the law and when they had last taken home a vehicle. All 22 individuals responded to the questionnaire. Due to the size and nature of the sample, these responses cannot be statistically projected.

In conducting our review, we did not independently verify the responses to the questionnaire. Also, as agreed with the Subcommittee, we did not attempt to determine whether any District employees were taking home official vehicles without proper authorization. Lastly, we did not attempt to determine if an entity was funding the use of a vehicle by some other means, such as a provision of a vehicle allowance.

We did our work in Washington, D.C., between June 1998 and February 1999 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the Mayor of the District of Columbia, the City Council Chairman, the Authority Chairman, the Interim Chief Financial Officer, and eight of the nine entities that had not withdrawn authorizations for individuals to take home official vehicles as of September 1998. At one entity, the Taxicab Commission, we did not seek comments because the Taxicab Chairman who had been violating the law had left the entity, and he was the only individual we had talked to at the Commission.

Nine Entities Were Not in Compliance With the Law As of September 1998

In response to our September 1998 questionnaire or interviews, the majority of the entities (37 of 46) reported practices that were in compliance with the restriction in section 150(a)(1). Thirty-six entities reported that as of September 1998, no one was authorized to take home a vehicle. The 37th entity, the Metropolitan Police Department, reported that as of June 9, 1998, 110 officers—all District residents—were authorized to take home vehicles, a practice that is allowed under section 150(a)(1), and

that no employees living outside of the District had been authorized to do so.⁶

The remaining 9 entities—DCHA, the Water and Sewer Authority (WASA), the Office of Corporation Counsel, the Council of the District of Columbia, the District of Columbia Public Schools, the Public Service Commission, the District of Columbia Sports Commission, the Taxicab Commission, and the University of the District of Columbia (UDC)—reported that as of September 1998, 44 employees were authorized to take home vehicles and had done so at various times during the year. Although each entity presented various reasons for allowing the employees to take home vehicles, we determined that the nine entities had not complied with the restriction in section 150(a)(1). Appendix II, table II.2, shows these nine entities, the title and location of residence of the employees who were authorized to take home a vehicle, and the authorizing official.

The Nine Entities Now Report That They Will Comply With Law

Officials from the nine entities that were not in compliance with the statute as of September 1998 informed us that they would comply. Eight of the entities said that their employees were no longer authorized to take home a vehicle as of February 1999. The other entity plans to comply with the law by funding the cost of vehicles that are taken home with nonappropriated funds. Table 1 shows the number of employees at these nine entities, by entity, who were authorized to take home vehicles.

Table 1: Number of Employees, by District Entity, Who Were Authorized to Take Home Vehicles as of September 1998

District entities	Number of employees
Housing Authority	23
Water and Sewer Authority	9
Office of Corporation Counsel	6
Council of the District of Columbia	1
District of Columbia Public Schools	1
Public Service Commission	1
Sports Commission	1
Taxicab Commission	1
University of the District of Columbia	1
Total employees authorized	44

Sources: Officials of entities listed.

⁶An officer who had been paralyzed in the line of duty by another officer was granted permission by the Police Chief in August 1998 to use a van that had been purchased and modified to meet her needs. The van was made available to her so that she could go to and from therapy sessions as well as for other purposes connected with her efforts to recover from her injuries. The District's appropriations act for fiscal year 1999 authorized the van to be donated to the officer as a gift on behalf of the District.

The nine entities provided the following reasons for originally allowing employees to take home vehicles:

- DCHA: Twenty-three employees were authorized to take home an official vehicle. DCHA officials told us that they believed the law did not apply to DCHA because it is independent of the District government and does not receive funding through the District's appropriations process. While we agree that DCHA is an independent entity not subject to the Mayor's authority, it is an instrumentality of the District government and receives appropriated funds from the Department of Housing and Urban Development. Therefore, we believe that DCHA is subject to the appropriations restriction in section 150(a)(1). After discussing this issue with DCHA officials, they agreed. In the future, they said that they would comply with the law by funding the cost of vehicles that are taken home by using nonappropriated funds. We do not believe the restriction in section 150(a)(1), which applies to appropriated funds, prohibits DCHA from spending nonappropriated funds to pay for the entire cost associated with vehicles that are taken home. DCHA officials have told us that the funds that will be used to pay for these vehicles will come from DCHA's local funds account, which is derived entirely from nonappropriated fund sources, such as rental income, investment income, and antenna leases.
- WASA: Nine employees were authorized to take home official vehicles, on the basis of the needs of the entity. Three employees—the General Manager, Chief Financial Officer, and Chief Engineer—had contracts that allowed them to use an official vehicle and required that they reimburse WASA for personal use of the vehicle. These contracts were signed before the law restricting the use of official vehicles had passed. The General Manager authorized the other six employees to take home vehicles on the basis of their duties and responsibilities. Each authorization was reconsidered annually. According to the General Manager, WASA did not believe that vehicle restrictions applied to it, primarily because of WASA's independence from the District government. After discussions with us, in which we told him of our view that WASA's employees were employees of the District, the General Manager agreed to stop allowing public vehicles to be taken home.
- Office of Corporation Counsel: The Corporation Counsel reported that six employees were authorized to take home vehicles on an as-needed basis. These employees were to use the vehicles to serve legal documents, such as subpoenas, summonses, and contempt motions, outside of regular business hours when attempts during the day were

unsuccessful. The Principal Deputy Corporation Counsel, responding on behalf of the office, told us that these employees were inadvertently not informed of the fiscal year 1998 change in the law on taking home official vehicles. After receiving our questionnaire on this issue, the employees were informed of the change in the law and their authorizations to take home a vehicle were withdrawn.

- Council of the District of Columbia: The Council Chairman was authorized to take home a vehicle. The Council's General Counsel had determined that the Chairman was authorized to take home a vehicle. However, after receiving our questionnaire, the Chairman requested a review of the issue by the Corporation Counsel who determined that the Chairman was not authorized. In November 1998, a Council representative told us the Chairman has discontinued taking home an official vehicle.
- District of Columbia Public Schools: One employee, the Chief of Security, was authorized to take home a vehicle. He told us when the law passed in 1997, the then-Superintendent of Schools informed his staff that no one was authorized to take home a vehicle except for the Chief of Security. This exception was because he was on 24-hour call to respond to all incidents at schools and investigate white-collar crime in the District's schools. The Chief has arrest authority and uses a police-certified emergency vehicle. The Chief continued to take home a car until September 1998 when, after receiving our questionnaire, the new Superintendent informed him that no one was authorized to take home a car.
- Public Service Commission: One employee at the Commission was authorized to take home a vehicle on a limited basis. This person was to take home the vehicle when late night or early morning pick-ups were required as part of his official duties. According to a Commission official, the Commission did not believe the law applied to it. The Commission receives its spending authority through the District of Columbia's appropriations law but then bills the various public utilities for the actual money spent. For this reason, the Commission did not believe that it fell under the statutory restriction. However, according to an official at the District's Office of the Chief Financial Officer, the Commission is considered to receive its funding through the appropriations act. Upon learning this, the Commission rescinded the individual's authority to take home a vehicle.

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- Sports Commission: The Commission's Executive Director told us that his contract provided him with an official vehicle for his use. While the Commission knew about the law, it did not believe the law applied to the Commission because the Commission was an independent entity of the District Government. Further, the law creating the Commission stated that its employees were not employees of the District. However, this law was amended in January 1995 to provide that members of the Commission, who had been employees of the Armory Board before August 23, 1994, would be considered employees of the District. The Executive Director had been the General Manager of the Armory Board before his current position. He told us that he believed the change in the law applied only to retirement and health benefits. After discussions with us, in which we informed him of our view that he was a District employee, the Executive Director agreed to stop taking home an official vehicle.
 - Taxicab Commission: The Commission Chairman told us he was under the impression that last spring some exceptions had been granted for individuals like him to use the vehicle on a 24-hour basis. He stated that in performing his official duties, the vehicle is needed on a 24-hour basis to respond to incidents involving taxicabs, limousines, cars, shuttles, and buses that provide service in the District and are regulated by the Commission. His official duties require that he monitor the conduct of taxicabs and vehicles for hire providing service throughout the District at hotels, museums, the bus terminal, Union Station, Capitol Hill, MCI Arena events, the Kennedy Center, the National Theater, and other locations in the District. He said that he constantly performs his official duties on an ongoing basis and must have the vehicle available to conduct random inspections of taxicabs. Further, he noted that when the vehicle was left at the Commission's office, it had been stolen twice and broken into and vandalized three times. After discussions with us, in which we told him that the only exception in the law was for police officers living in the District, the Commission Chairman agreed to stop taking home an official vehicle.
 - UDC: The President of UDC was allowed to take home a vehicle. He told us that the contract of his predecessor contained a clause authorizing the use of a vehicle. In accepting the position, he agreed to abide by the previous contract terms while his own contract was being negotiated. The purchase, operation, and maintenance of this vehicle were funded with the tuition collected by UDC. Further, the University Counsel stated that the President is required by contract to live in a residence that is UDC property. By contract, both the President and UDC use the

residence for official functions. Since the President commutes between UDC-owned facilities, UDC officials did not believe the law applied. After discussions with us, in which we told University officials of our view that the restriction applies to tuition funds and it does not distinguish between a private residence or one that is owned by a District entity, the President agreed to stop taking home the vehicle.

Entities' Efforts to Notify Staff of Change in Law

We judgmentally selected 22 employees at 9 entities who the District reported as taking home a vehicle during fiscal year 1997 and sent them a questionnaire asking whether they were aware of the enactment of the restriction on taking home vehicles for fiscal year 1998. Twenty-one responded that they knew about the law. These employees told us that they had been notified, either personally or in writing, of the change in the law. The last employee said he was unaware of the change in the law until he received our survey, at which time he stopped taking home a car. An official of the entity for which this employee worked said that a memorandum had been sent to division heads concerning the restriction, and that it was their job to inform the staff. However, the entity official was not able to provide us with a copy of this memorandum.

We discussed the actions taken to inform employees of the change in the vehicle use law with officials of 10 entities. According to entity officials, each of these entities had notified the affected staff of the change. The Department of Human Services Director, for example, in a memorandum to all employees dated December 4, 1997, stated that "Effective immediately, there can be no use of official vehicles to commute to your homes." Solid Waste Management Administration, Department of Public Works, employees were told in a memorandum dated December 4, 1997, that "NOBODY in the Solid Waste Management Administration shall take a vehicle home, for any reasons." The Police Department's Office of Professional Responsibility required the members of the force of that office to sign an acknowledgement that they had received the Interim Police Chief's December 15, 1997, memorandum about the law.

When we surveyed the 46 entity heads, we also learned that 6 employees who were taking home vehicles to carry out official duties during off-duty hours in the Office of Corporation Counsel had not been notified of the change in the law. As previously discussed, this oversight has been corrected.

Conclusions

At the time of our review, most of the District government entities we surveyed reported practices that were in compliance with section 150(a)(1) of Public Law 105-100. However, on the basis of the information we were provided, we concluded that nine entities that responded to our inquiry had not complied with this provision and had improperly permitted employees to take home official vehicles. Either as a result of our inquiry or after we informed these entities that we considered them to be in violation of the restrictions in section 150(a)(1), eight of them rescinded the authorization to take home vehicles, and the affected individuals have reportedly ceased the practice. The remaining entity, DCHA, plans to use nonappropriated funds to cover the cost of vehicles that are taken home. We concur that the statutory restriction does not prohibit DCHA from spending its nonappropriated funds on vehicles that are taken home.

Agency Comments and Our Evaluation

On February 19, 1999, we provided a draft of this report to the Mayor, District of Columbia; Chairman, Council of the District of Columbia; Chairman, District of Columbia Financial Responsibility and Management Assistance Authority; the Interim Chief Financial Officer, District of Columbia; Receiver, District of Columbia Housing Authority; General Manager, District of Columbia Water and Sewer Authority; Corporation Counsel, District of Columbia Office of Corporation Counsel; Superintendent, District of Columbia Public Schools; Chairman, District of Columbia Public Service Commission; Executive Director, District of Columbia Sports Commission; and the President, University of the District of Columbia.

On February 26, March 9, and March 15, 1999, the Receiver, District of Columbia Housing Authority; the Interim Chief Financial Officer, District of Columbia; and Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, provided written comments. The Receiver explained how he would fund taking vehicles home with nonappropriated funds. (See app. III.) The Interim Chief Financial Officer concurred with the report and provided a copy of a memorandum to all department and agency heads issued on February 25, 1999, which clearly sets forth the statutory prohibition on the use of government vehicles. (See app. IV.) The Executive Director commented on the history of the Authority's actions concerning the issue discussed and pointed out that as of January 2, 1999, the day-to-day operations of the District of Columbia have been delegated to the Mayor. (See app. V.)

The following entities provided oral comments. On February 25, 1999, the General Manager, District of Columbia Water and Sewer Authority, concurred with our report. On March 4, 1999, the Mayor's Deputy Director,

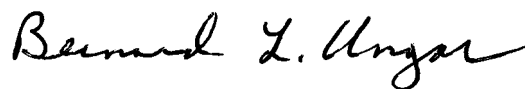
Office of Intergovernmental Relations, responded stating that it is the Mayor's position that all entities should abide by all federal laws and that it was the responsibility of entity heads to see that this is done. On March 4, 1999, the Principal Deputy, Office of Corporation Counsel; Executive Secretary, Public Service Commission; and the Executive Director, District of Columbia Sports Commission, called to state that they concurred with our report. On March 11, 1999, the Chief Financial Officer, University of the District of Columbia, said that the University concurred with the report. On March 18, 1999, the Secretary to the Council of the District of Columbia told us that the Chairman concurred with the report.

The Superintendent, District of Columbia Public Schools, did not provide either oral or written comments.

We are sending copies of this report to Senator Kay Bailey Hutchison, Senator Richard J. Durbin, and Senator George V. Voinovich and to Representative Tom Davis, Representative Eleanor Holmes Norton, and Representative James P. Moran in their capacities as Chair or Ranking Minority Member of Senate and House Subcommittees. We are also sending copies to the Honorable Anthony A. Williams, Mayor, District of Columbia; Ms. Alice Rivlin, Chairman, District of Columbia Financial Responsibility and Management Assistance Authority; Mr. E. Barrett Prettyman, Jr., Inspector General, District of Columbia; and other interested parties. Copies will also be made available to the heads of the nine entities reported to be in noncompliance with section 150(a)(1) of Public Law 105-100 as of September 1998 and to others upon request.

Major contributors to this letter are listed in appendix VI. If you have any questions, please call me on (202) 512-8387.

Sincerely yours,



Bernard L. Ungar
Director, Government Business
Operations Issues

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Abbreviations

DCHA	District of Columbia Housing Authority
UDC	University of the District of Columbia
WASA	Water and Sewer Authority

District of Columbia Entities We Contacted Concerning Compliance With Public Law 105-100, Section 150(a)(1)

- Board of Elections and Ethics
- Commission on Arts and Humanities
- Council of the District of Columbia
- Court Services and Offender Supervision Agency
- Court System/Superior Court
- Department of Administrative Services
- Department of Consumer and Regulatory Affairs
- Department of Corrections
- Department of Employment Services
- Department of Health
- Department of Housing and Community Development
- Department of Human Rights and Local Business
- Department of Human Services
- Department of Public Works
- Department of Recreation
- Deputy Chief Financial Officer, Economic Development
- Energy Office
- Executive Office of the Mayor
- Health and Hospitals Public Benefit Corporation
- Housing Authority
- Lottery and Charitable Games Control Board
- Metropolitan Fire and Emergency Medical Services
- Metropolitan Police Department
- Office of Aging
- Office of Banking and Financial Institutions
- Office of Cable Television and Telecommunications
- Office of Campaign Finance
- Office of Chief Financial Officer
- Office of City Administrator
- Office of Corporation Counsel
- Office of Economic Development
- Office of Emergency Preparedness
- Office of Financial Operations and Systems
- Office of Grants Management and Development
- Office of Inspector General
- Office of People's Counsel
- Office of Personnel
- Office of the Secretary
- Office of Tax and Revenue
- Public Library
- Public Schools
- Public Service Commission

Appendix I
District of Columbia Entities We Contacted Concerning Compliance With Public Law 105-100, Section 150(a)(1)

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- Sports Commission
 - Taxicab Commission
 - University of the District of Columbia
 - Water and Sewer Authority

Position Title and Location of Residence of Employees Who Were Authorized to Take Home Official Vehicles in Fiscal Year 1998

Table II.1: Nine Entities That Withdrew Employee Authorizations by March 1998

Entity	Number of employees	Month authorization rescinded
Metropolitan Police Department	104 ^a	December 1997
Metropolitan Police Department	18	February 1998
Department of Corrections	10 ^b	December 1997
Department of Corrections	15	February 1998
Metropolitan Fire and Emergency Medical Services	9 ^b	December 1997
Metropolitan Fire and Emergency Medical Services	6	March 1998
Department of Administrative Services	1 ^b	November 1997
Department of Housing and Community Development	1 ^b	November 1997
Office of the City Administrator	1 ^b	November 1997
Department of Human Services	22 ^b	December 1997
Department of Public Works	18 ^b	December 1997
Department of Consumer and Regulatory Affairs	2 ^b	February 1998

^aThe 104 for the police is estimated based on the number authorized to take vehicles home as of September 30, 1997, and the number authorized to take home a vehicle as of June 8, 1998. Under the law, police officers that live in the District can be authorized to take home a vehicle.

^bThese numbers are based on figures as of September 30, 1997.

Source: GAO summary of information provided by District of Columbia officials.

Table II.2: Nine Entities That Were in Noncompliance With the Law as of September 1998

Entity	Employee's title	Employee's residence	Authorizing official
Water and Sewer Authority	General Manager	District	Board of Directors
	Chief Financial Officer	Virginia	General Manager
	Chief Engineer	Virginia	General Manager
	Assistant General Manager	District	General Manager
	Director, Sewer Services Department	Maryland	General Manager
	Director, Water Services Department	Virginia	General Manager
	Acting Director of Water Measurement and Billing Department	Maryland	General Manager
	Public Affairs Manager	Maryland	General Manager
	Manager, Engineering and Technical Services Department	Maryland	General Manager
Office of Corporation Counsel	Investigator	District	Corporation Counsel
	Investigator	District	Corporation Counsel
	Investigator	District	Corporation Counsel
	Investigator	Maryland	Corporation Counsel
	Investigator	Maryland	Corporation Counsel
	Investigator	Maryland	Corporation Counsel
Council of the District of Columbia	Chairman	District	Chairman
District of Columbia Public Schools	Director, Division of Security	Virginia	Then-Superintendent

Appendix II

Position Title and Location of Residence of Employees Who Were Authorized to Take Home Official Vehicles in Fiscal Year 1998

Public Service Commission	Administrative Clerk	District	Chairman
Sports Commission	Executive Director	Maryland	Sports Commissioner
Taxicab Commission	Chairman	District	Chairman
University of the District of Columbia	President	District	Board of Trustees
District of Columbia Housing Authority	Receiver	District	Receiver
	Chief Inspector	District	Receiver
	Manager, Regional Maintenance	Maryland	Receiver
	Regional Maintenance Director	District	Receiver
	Boiler Plant Foreman	District	Receiver
	Security Operations Manager	Maryland	Receiver
	Director, Public Affairs	District	Receiver
	Regional Administrator (Potomac)	District	Receiver
	Chief, Mechanical Operations - Heating	Virginia	Receiver
	Director, Occupied Unit Rehabilitation/Construction	District	Receiver
	Director, Finance (temporary approval)	District	Receiver
	Director, Housing/Maintenance Management	Maryland	Receiver
	Regional Maintenance Director	Virginia	Receiver
	Regional Administrator (Anacostia)	Maryland	Receiver
	Regional/Construction Division Director	Virginia	Receiver
	Regional Administrator (Rock Creek)	District	Receiver
	Maintenance Supervisor	Maryland	Receiver
	Facility Manager, Site & Structure	Maryland	Receiver
	Director, Development and Modernization (Heating Season only)	Maryland	Receiver
	Regional Maintenance Director	District	Receiver
	Director, Vacant Unit Program	Virginia	Receiver
	Chief of Police, DCHA Police Department	Virginia	Receiver
	Fire Safety Officer	Maryland	Receiver

Sources: Responses to GAO questionnaire and District of Columbia officials.

Comments From the District of Columbia Housing Authority



District of Columbia Housing Authority

**1133 North Capitol Street, Northeast
Washington, D.C. 20002-7599**
(202) 535-1500
FAX: (202) 535-1740

Office of the Receiver
David Gilmore, Receiver

February 26, 1999

Thomas G. Keightley
Evaluator-in-Charge
General Government Division
United States General Accounting Office
441 G Street, NW - Suite 2037
Washington, D.C. 20548

Dear Mr. Keightley:

Thank you for meeting with me on February 18, 1999. DCHA has established a plan to comply with the U.S. General Accounting Office's interpretation of Public Law 105-100. The DCHA Plan will not use any appropriated funds, from any source, to purchase or maintain home storage vehicles. I would like to point out that, while 22 individuals are currently authorized for home storage, not all vehicles are taken home on a regular basis. Granting home storage privileges to these individuals is necessary and essential to the continued efficient operation of the DCHA.

The enclosed plan outlines the steps DCHA has taken to comply with Public Law 105-100. Because any DCHA income that is derived from outside of the appropriation process is not subject to the prohibition contained in Public Law 105-100, rental income and other sources of earned income will fund DCHA's vehicles that are driven on a regular basis by employees that are authorized to "take home" said vehicles.

As you may know, the U.S. Department of Housing and Urban Development (HUD) recognizes rental income as separate from operating subsidy, i.e., appropriated funds. HUD grants DCHA its budget allocation, in part, by determining how much DCHA requires to operate its public housing program. After this amount has been calculated, HUD subtracts from the calculation the amount that DCHA bills its residents for dwelling rents to support its budget. Then HUD provides DCHA its operating subsidy less the dwelling income rents to be collected by DCHA. See generally, 24 CFR Part 990. Thus, as you must recognize, the dwelling rental income derived from rent collection is not appropriated funds. In addition, the Comptroller General has issued an opinion letter on the allowable use of non-appropriated and appropriated funds for activities not permitted to be funded with appropriated funds. B-114823 at 4 (Dec. 23, 1974).

DCHA will maintain the funds for home storage vehicles in a separate "local fund." This is not a complicated task, DCHA currently maintains 23 separate accounts for funds from different sources, e.g., Section 8 Housing Vouchers, HOPE VI Grants, and Drug Elimination Grants. In addition, DCHA will maintain detailed subsidiary ledgers and accounting transaction records, as it does for all of its accounts, to facilitate audits by HUD or any other entity authorized to conduct such audits.

If you have any questions concerning this letter, please contact Camille Pierce, my Chief of Staff, at 202-535-1500.

Sincerely,

A handwritten signature in black ink, appearing to read "David Gilmore".

David Gilmore
Receiver

Enclosure

District of Columbia Housing Authority
Procedures for Home Storage Vehicles

1. The District of Columbia Housing Authority's (DCHA) "local fund" account will be used for home storage vehicles. All funding of this account is non-appropriated, i.e., rental income, investment income, proceeds from roof top antenna leases, syndication fees, etc.
2. Acquisition costs of DCHA owned vehicles assigned for home storage will be reimbursed by the "local fund" into the "general fund" and, finally, to the accounts which originally paid for these vehicles.
3. Based on actual invoices, acquisition costs of new home storage vehicles will be paid directly from the "local fund."
4. Actual maintenance costs of these vehicles including gasoline, repair, insurance, etc. will also be disbursed from the "local fund."
5. If invoices for home storage vehicles are processed by accounts payable, advance deposits from the "local fund" will be made into the "general fund" to make such payments.
6. The DCHA uses the Internal Revenue Service (IRS) method for determining operating and maintenance costs of vehicles. The "local fund" will be the exclusive source of payment of these costs at \$0.31 per mile, per vehicle. Total mileage (regular use and home storage) will be reported monthly by vehicle operator and confirmed by regular inspection by DCHA's Fleet Management Division. Funds will flow from the "local fund" to the "general fund" from which all disbursements are made.
7. Income and use of funds from the "local fund" will be documented and maintained by the Office of Financial Management with proper support and subsidiary ledgers.
8. In compliance with IRS rules, DCHA reports the value of authorized home storage on the employees' annual W-2 forms and to the IRS.

Comments From the District of Columbia Office of the Chief Financial Officer

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



March 9, 1999

Bernard L. Ungar
Director, Government Business Operations Issues
United States General Accounting Office (GAO)
Washington, D.C. 20548

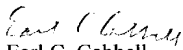
Dear Mr. Ungar:

Thank you for the opportunity to comment on the GAO Draft report entitled, "District of Columbia-Implementation of Section 150 (a)(1) of Public Law 105-100."

The Office of the Chief Financial Officer, Government of the District of Columbia concurs with the draft report. During the past two years, this office was tasked with compiling and publishing the District of Columbia Public Vehicle Report as required by Public Law 105-100 for Fiscal Year 1998 and subsequently carried forward in the District's Fiscal Year 1999 appropriations act.

As of September 30, 1998, several agencies were still not in total compliance with the act as portrayed in the report dated December 31, 1998 and the amended report dated February 5, 1999. As of this date, agencies of the District Government are in substantial compliance with the requirements of Public Law 105-100. Additionally, the attached memorandum dated February 25, 1999, from the Office of the Inspector General, and Corporation Counsel, Government of the District of Columbia, clearly sets forth the statutory prohibition on the use of government vehicles.

Sincerely,


Earl C. Cabbell
Interim Chief Financial Officer

Attachment

cc: The Honorable Anthony A. Williams, Mayor
John W. Hill Jr., Executive Director, DCFRMAA
Thomas G. Keightley, GAO

441 4th Street, N.W., Suite 1150N, Washington, D.C. 20001

202/727-2476

www.dccfo.com

Comments From the District of Columbia Financial Responsibility and Management Assistance Authority

District of Columbia Financial Responsibility
and Management Assistance Authority
Washington, D.C.

March 15, 1999

Mr. Bernard L. Ungar
Director
Government Business Operations Issues
United States General Accounting Office
Washington D.C. 20548

Dear Mr. Ungar:

This letter is in response to the draft report of the General Accounting Office entitled, *"D.C. Government: Implementation of Section 150(a)(1) of Public Law 105-100-- the District of Columbia Appropriations Act for Fiscal Year 1998"* which governs the policy related to vehicle utilization within the District government. The District of Columbia Financial Responsibility and Management Assistance Authority ("Authority") appreciates the opportunity to provide comments on this report.

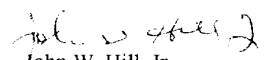
Upon the enactment of Section 150(a)(1) of Public Law 105-100 the Authority made every effort to assure that the District complied with this law. Towards that end, the former Chairman of the Authority met with the Directors of the agencies of the District government, to review the vehicle utilization policy and to outline the measures that were necessary for compliance. In addition, the Chairman sent a letter to each of the agencies announcing the revised policy.

On January 2, 1999, the Authority signed a Memorandum of Agreement with Mayor Anthony Williams delegating responsibility for the day to day management of the District to Mayor Williams. The Memorandum of Agreement included those agencies that were formerly under the control of the Authority.

Recently, Congress enacted legislation that repealed the Authority's direct responsibility for operations of certain District agencies. The Authority is committed to supporting the efforts of Mayor Williams regarding the District's compliance with the requirements of Section 150(a)(1) of Public Law 105-100.

Please contact my office, at (202) 504-3406 if you have questions.

Sincerely,


John W. Hill, Jr.
Executive Director

One Thomas Circle, N.W. • Suite 900 • Washington, D.C. 20005 • (202) 504-3400

Major Contributors to This Report

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