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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

July 31, 2024

Daniel F. Martuscello III
Commissioner
Department of Corrections and Community Supervision
1220 Washington Avenue
Albany, NY 12226

Re: Oversight of Transportation Services
and Expenses
Report 2023-F-37

Dear Commissioner Martuscello:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Corrections and Community Supervision (DOCCS or Department) to implement the recommendations contained in our initial audit report, *Oversight of Transportation Services and Expenses* (Report [2021-S-1](#)).

Background, Scope, and Objective

DOCCS is responsible for the confinement and rehabilitation of approximately 32,900 individuals in custody and the supervision of over 24,700 parolees throughout the State. DOCCS operates 44 correctional facilities, seven regional offices that provide support services for parolees (Community Supervision), as well as a Central Office. Its work requires a diverse fleet of both passenger (e.g., cars, SUVs, vans, pickup trucks) and large transportation (e.g., inmate buses, tractor trailers) vehicles. Many of DOCCS's employees operate its vehicles in its day-to-day operations. Operators are required to have a current driver's license to operate these vehicles on public roadways.

Of the 44 facilities, 32 manage the repairs and procurement of parts for their facility or another facility for their assigned vehicles. Five facilities as well as Central Office and Community Supervision exclusively use a centralized procurement contract (Contract) for fleet management and repair services, negotiated and entered into on behalf of the State by the Office of General Services and administered by the Contractor. DOCCS is responsible for periodically reviewing a sample of procurements to determine the Contractor's compliance with the Contract terms and the reasonableness of the transactions. DOCCS also operates fueling stations at 35 facilities that provide gas at discounted prices through State contract pricing. These 35 locations utilize the Fuelmaster system to manage and account for the fuel dispensed to their vehicles.

As of March 2024, DOCCS's fleet comprised 2,440 State-owned and 38 leased vehicles. During the period April 2021 through March 2024, DOCCS's vehicle repair and maintenance

expenses totaled approximately \$12.3 million, including payments of nearly \$8.3 million to the Contractor, as well as fuel expenditures totaling \$12.5 million.

The objective of our initial audit, issued on June 29, 2022, was to determine if DOCCS had established adequate controls to effectively monitor and ensure accountability over transportation expenses and transportation services. It covered the period from April 2016 through July 2021. The audit found that DOCCS performed limited to no central monitoring of payments made through its Contractor. Further, the Contractor data did not include sufficient detail DOCCS would need to adequately monitor vehicle repairs and maintenance costs. Also, DOCCS did not monitor in-house maintenance expenses but, rather, relied on each facility or office for accurate reporting. Additionally, DOCCS could improve its oversight of fuel usage, as auditors identified \$9,349 in savings that could have been achieved had all fueling transactions been completed at State-owned facilities instead of commercial fueling stations. The audit also found employees who operated vehicles with restricted licenses as a result of a physical impairment, driving violation, or the suspension or revocation of their license. Lastly, the audit identified instances where daily vehicle logs were incomplete, contained erroneous information, or were illegible, increasing the risk of inappropriate use or operation of DOCCS vehicles.

The objective of our follow-up was to assess the extent of implementation, as of April 2024, of the seven recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

DOCCS officials have made some progress in addressing the issues we identified in the initial audit report. Of the initial report's seven audit recommendations, two have been implemented, four have been partially implemented, and one has not been implemented.

Follow-Up Observations

Recommendation 1

Implement Department-wide procedures to monitor the Contractor's performance regarding repair and maintenance costs.

Status – Partially Implemented

Agency Action – DOCCS has taken steps to implement agency-wide procedures to monitor the Contractor's performance related to repair and maintenance costs. DOCCS's Vehicle Unit staff now review transactions, focusing on higher-dollar maintenance transactions—particularly those over \$500. However, DOCCS officials stated staffing challenges have compromised their ability to fully monitor Contractor performance. Between July 2022 and October 2023, staffing in DOCCS's Vehicle Unit, which is responsible for monitoring Contractor performance, fell from four employees to one. In October 2023, one of the vacant positions was filled, which officials stated will allow them to increase oversight of the Contractor vehicle repair and maintenance costs. However, as of March 2024, the new employee has not been assigned to monitor Contractor performance due to ongoing training and familiarization with Vehicle Unit duties.

Recommendation 2

Ensure that maintenance documentation is kept in accordance with the Department's standards.

Status – Partially Implemented

Agency Action – DOCCS has taken steps to ensure that maintenance documentation is kept according to its standards. According to DOCCS officials, a new centralized enterprise asset management (EAM) solution has been implemented, which is intended to organize work orders for vehicle maintenance for more effective and productive work on their fleet, while tracking necessary preventive maintenance. However, DOCCS has not used EAM to its full potential. DOCCS’s policy directive related to Scheduled Maintenance/Reports specifies that EAM may be used but does not explicitly require its use to track vehicle maintenance. We reviewed records associated with select vehicles and determined that, while the records were generally kept in accordance with DOCCS’s documentation standards, there were still instances where Motor Vehicle Control Record logs and Scheduled Maintenance/Reports were not.

Recommendation 3

Develop and implement a process to ensure maintenance costs are reasonable and in compliance with Department and State procurement requirements.

Status – Implemented

Agency Action – DOCCS has developed and implemented a more centralized process to ensure maintenance costs are reasonable and in compliance with its own and State procurement requirements. Under this more centralized process, the Vehicle Unit approves purchases of goods and services related to vehicle maintenance on an ad hoc basis. Previously, these types of purchases were reviewed by the business offices at each correctional facility making the purchase. According to DOCCS officials, these changes have increased efficiency and consistency related to their vehicle maintenance approval process.

Recommendation 4

Ensure that the Department employees use the most cost-effective method for fuel purchases, when practical.

Status – Partially Implemented

Agency Action – DOCCS has taken steps to update its policy by adding language specifically directing employees to fuel State vehicles at correctional facilities—the most cost-effective method for fuel purchases—when practical. However, the updates have not yet been finalized and implemented. The updates to the policy would direct employees to specifically consider fueling at correctional facilities, where feasible. As noted in our initial report, fueling at a facility is generally more cost-effective than at a commercial station. DOCCS requires all employees to review the policy on fuel purchases as part of their annual training requirements. However, since the updated policy hasn’t been implemented, DOCCS employees are still following the policy currently in place.

Recommendation 5

Take steps to improve the accessibility, usability, accuracy, and completeness of Fuelmaster data by the Department.

Status – Not Implemented

Agency Action – DOCCS has not taken steps to improve the accessibility, usability, accuracy, and completeness of Fuelmaster data. While DOCCS hasn't formally assessed the feasibility of implementing new infrastructure to accommodate access to a common database for better accessibility and usability, officials noted challenges to a centralized system, including existing connectivity constraints at correctional facilities and the costs necessary to overcome those constraints. As a result, Fuelmaster is still a stand-alone local system within correctional facilities, and monthly monitoring is conducted locally and not at the statewide level.

We also note that, during our follow-up, DOCCS officials cited an incident from October 2023, where personnel at one facility identified a difference of about 39 gallons between Fuelmaster data and the fuel meter. Ultimately, DOCCS officials determined that the Fuelmaster data was inaccurate. This example is further evidence of the need for improvements to data accuracy.

Recommendation 6

Ensure License Event Notification Service (LENS) notifications are communicated to all correctional facilities and all appropriate personnel within the Department.

Status – Implemented

Agency Action – DOCCS instituted procedures to ensure LENS notifications are communicated to all correctional facilities and all appropriate personnel within DOCCS. In September 2022, DOCCS introduced a monthly LENS notification reporting mechanism to assist personnel in complying with DOCCS's policy directive on use of State-owned vehicles. According to DOCCS officials, the monthly LENS reports allow them to better detect employees with license restrictions and restrict those employees' use of State-owned vehicles or take other administrative action, when necessary.

Recommendation 7

Monitor correctional facilities' vehicle logs and inmate transportation logs to ensure records are complete and accurate and in accordance with Department procedures.

Status – Partially Implemented

Agency Action – DOCCS has taken steps to monitor vehicle logs to ensure records are complete and accurate and in accordance with DOCCS procedures. DOCCS officials acknowledged that there was a temporary gap in monitoring vehicle mileage logs due to staff vacancies. DOCCS has since reassigned the task of monitoring mileage logs and provided evidence of quarterly monitoring of those logs. However, DOCCS has not been monitoring inmate transportation logs due to staffing challenges. Officials stated that monitoring of these logs will be implemented when a vacant position is filled.

Major contributors to this report were Brian Krawiecki, Charles Lansburg, Alma Pleasant, and Logan Frese.

DOCCS officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank DOCCS management and staff for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Scott Heid
Audit Manager

cc: Lori C. Young, DOCCS