

Syracuse Police Department Take Home Vehicle Audit



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Martin D. Masterpole

City of Syracuse Auditor

Introduction

In May 2012, the Office of the City Auditor initiated a performance audit regarding the personal use of City of Syracuse Police Department (SPD) vehicles, with a specific focus on take-home cars.

By its very nature, a take-home car program results in additional mileage put on the fleet. In the case of the SPD's program, these personal use miles directly result in additional costs that are borne by the City taxpayers, including:

- Gasoline costs for commuting miles
- Routine and non-routine repair costs arising from additional wear-and-tear
- Capital costs due to accelerated replacement of high-mileage vehicles
- Heightened exposure to property damage and liability claims

Given the additional costs and the potential for abuse of take-home privileges, a take-home vehicle program must be closely monitored and tightly controlled.

Personal use of SPD vehicles is governed by Volume 1, Article 4, Section 1.00 of the SPD's Rules and Regulations which states:

“Departmental vehicles are for official business only. Personal use of departmental vehicles, whether assigned to an employee on-duty or on a take-home basis, is prohibited. Vehicles may be assigned to certain employees on a take-home basis, upon written notification from the Chief or Police or a Deputy Chief of Police provided:

- a. The Chief of Police determines that an increased continuous availability and a direct response to duty are required.
- b. The Chief of Police determines that the security of the departmental vehicles is enhanced as a result of such vehicle assignment.
- c. As otherwise deemed appropriate by the Chief of Police.”

This performance audit is authorized by Section 5-501(4) of the City of Syracuse Charter. The examination was administered in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors.

These standards necessitate that the audit is planned and performed to attain a reasonable foundation for the judgments and conclusions regarding the function under examination. This review also included evaluations of applicable internal controls and compliance with requirements of law and regulations when necessary to satisfy audit objectives.

This report is intended solely for the information of the Mayor, the Common Council and the involved departments of the City of Syracuse, New York, yet it is understood to be a matter of public record and its distribution is not limited. Further information regarding this audit is available at the City of Syracuse's Office of the City Auditor upon request. The City Auditor would like to thank the City departments who assisted and cooperated with us during our audit.

Scope

The review was performance in nature and was executed to provide an independent assessment of the adequacy of:

- the rules and regulations utilized by the SPD for the issuance and monitoring of departmental vehicles
- the departmental records relative to the vehicles that are subject to the rules and regulations

In addition, in the course of this review, background information was gathered to:

- Determine how these vehicles are being monitored. For example, is there anyone monitoring for abuses or excessive use of the departmental vehicles?
- Develop spreadsheets detailing the Officer, his/her assigned departmental vehicle, place of residency, and calculation of personal use and work-related mileage.
- estimate the cost to the taxpayer for the current SPD take-home vehicle program
- assess compliance with IRS requirements regarding the tax liability for employer-provided vehicles
- review the overall program for compliance with Departmental rules and regulations

Methodology

To conduct this assessment, the Office of the City Auditor held discussions with SPD staff to obtain copies of the rules and regulations and to understand the rules associated with use of a departmental vehicle.

The Office of the City Auditor also acquired mileage logs for each departmental vehicle that showed total annual miles per vehicle as well as commuter mileage. In order to ensure accuracy,

this office created its own spreadsheet and, based on each officer's residence, calculated mileage from his/her residence to the SPD police garage ("Patrol East.")

The City Auditor chose four random vehicles to spot check during the course of this Audit. To calculate fuel costs, this Office assumed each vehicle averages seventeen miles per gallon. The actual cost for gasoline from an invoice dated July 15th 2012 shows that the City of Syracuse currently pays \$2.89 per gallon.

Findings

1. Number of Take-Home Vehicles: We have identified fifty vehicles that are allowed to be taken to the Officer's residence while on off- duty status. Of these fifty vehicles, two are currently not assigned to Officers and are parked at Patrol East.

2. Commuting Distance: Of the forty- eight vehicles that are currently assigned to Officers, six are assigned to Officers who reside within the City of Syracuse and forty two vehicles leave the City of Syracuse each day.

There is a wide range of mileage put on these vehicles each day. Some vehicles are driven less than four miles round trip each day while others are driven up to sixty miles round trip.

3. Personal vs. Work-Related Use: Using the SPD's self-reporting mileage log, we have calculated that thirty-one vehicles report more than 55% of the mileage as work- related use. There are six vehicles that are used between 40%-45% for work purposes. There are eleven vehicles that report less than 40% of the mileage for work-related use, including two vehicles that show over 99% of the mileage as being the drive to and from home.

We also used our own calculations of mileage from each Officer's home to Patrol East and have come up with discrepancies in mileage reporting. It is noted that thirteen vehicles fall within our margin of error on reporting commuter mileage but we also have noted a wide discrepancy in reporting on the others.

4. Field Verification: During a spot check of four random vehicles, the City Auditor found that all four vehicles were in the driveway of the address given by each Officer. All four vehicles were noted to be exactly the same vehicle (make and model) as reported to our office by the Director of Fleet Management. It appears that the Director of Fleet Management has controls in place showing which Officer has each vehicle.

5. Cost of the Take-Home Car Program - Through calculations, we have determined that there are approximately 318,000 total miles each year attributable to vehicles traveling to and from Officers' homes. For fuel costs alone, the cost to the City taxpayer for these commuting miles is over \$54,000.

Using the current IRS mileage rate of 55.5 cents per mile, that total costs for commuting could be estimated at approximately \$176,000. Per the IRS website, "*the standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile*".

6. IRS Reporting Requirements – We have also found that many of these Officers are not being charged Federal income taxes on the personal use component of their assigned take-home vehicles, based on a loose interpretation of the rule that if these vehicles are used in emergency operations, that they are exempt from this requirement.

However, The City Auditor does not believe that this exemption applies. Per 2012 IRS Publication 15-B (p. 22), the exemption from taxation applies to “clearly marked, through painted insignia or words, police, fire and public safety vehicles”. Many of the SPD take-home sedans are not so marked with insignia or words, and indeed, when originally purchased by the City are specifically categorized as “unmarked cars.”

Furthermore, it is worth noting that some of the Officers in question are using these vehicles exclusively for travel to and from their homes and do not warrant an exemption based on the expectation of the vehicle to respond to a public safety emergency.

Recommendations

1. The Office of the City Auditor recommends that the Director of Fleet Management implement additional internal controls to monitor these vehicles’ usage, beyond monitoring the paperwork submitted by the employee. For example, other municipalities have installed GPS equipment in government-owned vehicles and monitor their usage daily. A recommendation is that a GPS system to monitor usage be considered. An RFP should be issued to research the cost associated with a GPS program.
2. We believe that the City should develop guidelines restricting the distance that vehicles are allowed to be driven for non-work activities. The City can seek reimbursement for those who exceed the commute guidelines.
3. A policy should be put in place to monitor when and how often an Officer is “called in” on an emergency situation as opposed to when the vehicle is used as part of a daily commute to their regularly scheduled work day. Take home vehicles should be eliminated for those who do not respond regularly to emergency calls.
4. The City Auditor recommends that annual reports be submitted to the Common Council detailing vehicle assignments, job duties for each law enforcement official, emergency call in reports, response time and actual cost per vehicle.
5. Annual reports should also be issued to the Syracuse Common Council with a detail of data on vehicle maintenance and fuel costs.
6. As a noted policy in Colorado Springs, CO and Greenville, NC, Officers who reside within the City limits can take-home vehicles to increase police presence and act as a deterrent of crime.
7. All vehicles not used in undercover situations should be marked with a SYRACUSE POLICE logo on the side of the vehicle. (See Auditor’s note below on unmarked vehicles used for undercover activities)

8. The SPD employee that handles payroll for these Officers should correct the past practice relating to IRS reporting of personal use mileage on take home cars.

9. It is the opinion of the Office of the City Auditor that the City of Syracuse Police Department should reduce its take home fleet in cases where the vehicles are used 25% or more on mileage to commute to and from work related activities. These vehicles can be parked at Patrol East and the officers can drive their personal vehicles to Patrol East each work day and park it in the space where their departmental vehicle is parked, eliminating the need for additional parking spaces.

10. Finally, the Office of the City Auditor believe that vehicles should be assigned based upon job duties and not upon rank of the Officer. Currently these vehicles are assigned as a perk to a promotion within the SPD. However, if a subordinate Officer needs a vehicle and will use it more in performing the duties of a Syracuse Police Officer, the vehicle should be assigned to the subordinate Officer.

Auditor's Note

During the investigation portion of this report, it became known that the Syracuse Police Department has an unreported number of additional vehicles that are allowed to be driven to and from officer's homes. SPD refused to report data concerning these vehicles to our office based on their contention that the vehicles are used in undercover operations, thereby requiring their identification and use to remain confidential. SPD obtains these vehicles through the asset seizure program or purchases them with asset seizure funds.