

**TESTIMONY OF CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL, BEFORE THE COMMITTEE ON
PUBLIC WORKS AND THE ENVIRONMENT**

MAY 21, 2001

GOOD MORNING CHAIRPERSON SCHWARTZ AND MEMBERS OF THE COMMITTEE.

I WELCOME THIS OPPORTUNITY TO DISCUSS AND SHARE WITH EVERYONE THE RESULTS OF THE INSPECTION OF THE OPERATIONS AT THE DEPARTMENT OF PUBLIC WORKS FLEET MANAGEMENT ADMINISTRATION (FMA).

SITTING WITH ME AT THE TABLE TODAY ARE MELVINA COAKLEY, DIRECTOR OF PLANNING AND INSPECTIONS, AND DIANE BARBER, MANAGEMENT ANALYST. I WILL BEGIN BY PROVIDING YOU WITH BACKGROUND INFORMATION TO HELP PUT THIS INSPECTION INTO PERSPECTIVE, AND THEN WILL OUTLINE THE MAJOR FINDINGS AND CONCERNS.

THE MAIN POINT THAT YOU ARE GOING TO HEAR TODAY IS THAT OUR INSPECTION TEAM FOUND SIGNIFICANT DEFICIENCIES IN ALL INSPECTED AREAS OF FMA. THESE DEFICIENCIES, AS DISCUSSED WITH DPW MANAGEMENT DURING EXIT MEETINGS, INCLUDE THE FOLLOWING: (1) FAILURE TO COMPLY WITH FEDERAL REGULATIONS REGARDING THE HEALTH AND SAFETY OF EMPLOYEES; (2) UNTRAINED EMPLOYEES WORKING AS MECHANICS; (3) THOUSANDS OF DOLLARS BEING WASTED DUE TO THE LACK OF A VEHICLE REPLACEMENT PLAN; (4) SERIOUS DEFICIENCIES EXISTING IN THE VEHICLE DISPOSAL PROCESS; (5) THE PREVENTIVE MAINTENANCE (PM) PROGRAM NOT BEING ENFORCED AND;

(6) FMA LAGGING BEHIND NEIGHBORING JURISDICTIONS IN EFFICIENT OPERATIONS.

REASON FOR THE INSPECTION

I DIRECTED THE INSPECTION OF DPW IN MAY OF 2000 AS PART OF THE MAYOR'S INITIATIVE TO REVIEW, EVALUATE, AND IMPROVE PERFORMANCE STANDARDS IN ALL COMPONENTS OF THE DISTRICT OF COLUMBIA GOVERNMENT. BECAUSE DPW IS SUCH A LARGE AGENCY, EACH MAJOR COMPONENT IS BEING INSPECTED SEPARATELY AND REPORTED ON IN SEPARATE REPORTS. THE FLEET MANAGEMENT ADMINISTRATION WAS THE SECOND COMPONENT INSPECTED. THE FIRST WAS THE SOLID WASTE MANAGEMENT ADMINISTRATION (SWMA). WE ARE CURRENTLY INSPECTING THE PARKING SERVICES ADMINISTRATION AND PLAN TO COMPLETE THAT INSPECTION BY THE END OF JUNE 2001.

OBJECTIVES

THE INSPECTION OBJECTIVES WERE TO EVALUATE THE EFFECTIVENESS OF FMA PROCESSES IN THE OPERATIONAL AREAS INSPECTED. THE PROCESSES WERE MEASURED AGAINST SEVERAL STANDARDS, INCLUDING THOSE SET BY DPW AND FMA, THOSE WHICH ARE REQUIRED BY FEDERAL AND DISTRICT LAWS AND REGULATIONS, AND, THOSE WHICH ARE OBSERVED AS INDUSTRY BEST PRACTICES. ALSO EVALUATED WERE THE SUFFICIENCY OF INTERNAL CONTROLS AND RESOURCES INVOLVED IN THE OPERATIONAL AREAS INSPECTED, AND THE SUFFICIENCY OF TOOLS AND EQUIPMENT USED BY FMA EMPLOYEES. REVIEW OF THESE AREAS ALLOWED US TO FOCUS ON ISSUES WHICH DIRECTLY AFFECT THE AGENCY'S ABILITY TO ACHIEVE THE PRODUCTIVITY AND QUALITY OF WORK DESIRED BY FMA AND DPW MANAGEMENT.

INSPECTION APPROACH

NEXT I WOULD LIKE TO EXPLAIN THE APPROACH USED TO CONDUCT THE INSPECTION. THE INSPECTION TEAM ADMINISTERED AN ANONYMOUS SURVEY, CONDUCTED 60 INTERVIEWS WITH EMPLOYEES, SUPERVISORS, AND ADMINISTRATORS, REVIEWED NUMEROUS DOCUMENTS, REGULATIONS AND LAWS, DIRECTLY OBSERVED KEY WORK PROCESSES, INSPECTED SELECTED WORK AREAS AND FACILITIES, AND VISITED VARIOUS PUBLIC WORKS DEPARTMENTS IN SURROUNDING COUNTIES.

I MUST NOTE THAT DPW AND FMA MANAGEMENT WERE COOPERATIVE AND RESPONSIVE DURING ALL ASPECTS OF THE INSPECTION PROCESS TO INCLUDE CONCURRENCE WITH THE MAJORITY OF OUR FINDINGS AND RECOMMENDATIONS.

HIGHLIGHTS OF MAJOR FINDINGS

AS I STATED EARLIER, THE INSPECTION TEAM FOUND SIGNIFICANT DEFICIENCIES IN ALL INSPECTED AREAS OF THE FLEET MANAGEMENT ADMINISTRATION. THE FOLLOWING, HOWEVER, ARE WHAT I CONSIDER TO BE THE MAJOR REPORT FINDINGS.

FEDERAL HEALTH AND SAFETY REGULATIONS HAVE BEEN VIOLATED.

THE TEAM FOUND NUMEROUS VIOLATIONS OF FEDERAL REGULATIONS REGARDING THE HEALTH AND SAFETY OF EMPLOYEES. FOR EXAMPLE, FIRE EXTINGUISHERS WERE NOT READILY ACCESSIBLE TO SOME EMPLOYEES, EMERGENCY EVACUATION PLANS WERE INACCURATE, AND FIRST AID PRODUCTS AND EQUIPMENT WERE NOT AVAILABLE FOR SOME EMPLOYEES TO USE IN CASE OF AN EMERGENCY.

UNTRAINED EMPLOYEES WERE WORKING AS MECHANICS. THE INSPECTION TEAM FOUND THAT UNTRAINED EMPLOYEES WERE ASSIGNED TO REPAIR VEHICLES BECAUSE OF A SHORTAGE OF TRAINED MECHANICS. IN ADDITION, MANY TRAINED MECHANICS STATED THAT THEY HAVE RECEIVED LITTLE AUTOMOTIVE TRAINING SINCE COMING TO WORK FOR FMA.

THE LACK OF A VEHICLE REPLACEMENT PLAN WASTES THOUSANDS OF DOLLARS. THE TEAM FOUND THAT THOUSANDS OF DOLLARS WERE SPENT IN FY 2000 TO REPAIR OLD SWEEPER VEHICLES BOUGHT IN 1993. THESE VEHICLES THEN WERE SOLD THAT SAME YEAR AT VERY LOW PRICES. FOR EXAMPLE, \$33,000 WAS SPENT ON REPAIRING A SWEEPER THAT SUBSEQUENTLY SOLD AT AN AUCTION FOR ONLY \$600.

THERE ARE SERIOUS DEFICIENCIES IN THE VEHICLE DISPOSAL PROCESS. THE TEAM FOUND THAT SERIOUS DEFICIENCIES IN THE PAPERWORK AND PRICING OF AUCTIONED VEHICLES LEAVE THE DISPOSAL PROCESS VULNERABLE TO FRAUD AND ABUSE.

THE PREVENTIVE MAINTENANCE (PM) PROGRAM FOR GOVERNMENT VEHICLES IS NOT ENFORCED. THE TEAM FOUND THAT FMA IS NOT ENFORCING THE REQUIREMENT THAT DISTRICT AGENCIES BRING IN GOVERNMENT VEHICLES FOR SCHEDULED PM. THIS HAS CAUSED SOME AGENCIES TO NEGLECT PM REQUIREMENTS. THE DEPARTMENT IS NOT TRACKING AND IMPOSING PENALTIES ON AGENCIES WHOSE VEHICLES ARE OVERDUE FOR PM; AS A RESULT, MANY GOVERNMENT VEHICLES ARE NOT SERVICED UNTIL A MAJOR BREAKDOWN OCCURS.

THE DISTRICT FMA LAGS BEHIND THE EFFICIENT OPERATIONS FOUND IN NEIGHBORING JURISDICTIONS. THE TEAM FOUND THAT FMA IS YEARS BEHIND IN IMPLEMENTING FLEET MANAGEMENT IMPROVEMENTS THAT

WILL IMPROVE SERVICE DELIVERY AND REDUCE COSTS. FOR EXAMPLE, FMA HAS ONLY RECENTLY BEGUN IMPLEMENTING A VEHICLE REPLACEMENT PROGRAM THAT USES LONG-TERM PLANNING TO ALLOCATE FUNDS TO REPLACE OLDER VEHICLES WITH NEWER MODELS RATHER THAN REPAIRING THEM. AN EFFECTIVE VEHICLE REPLACEMENT PROGRAM DECREASES THE HIGH REPAIR COSTS ASSOCIATED WITH MAINTAINING OLD VEHICLES BECAUSE THEY ARE SYSTEMATICALLY REPLACED. BY COMPARISON, ARLINGTON COUNTY BEGAN AN EFFECTIVE REPLACEMENT PROGRAM IN 1977.

CONCLUSION

I WOULD LIKE TO MAKE CLEAR THAT I BELIEVE ONE OF THE MOST IMPORTANT ROLES OF MANAGERS IS TO IMPLEMENT RECOMMENDATIONS THEY THEMSELVES ACKNOWLEDGE CAN HELP RECTIFY PROBLEMS. TO THAT END, WE PROVIDED COMPLIANCE FORMS FOR EACH FINDING AND RECOMMENDATION. THEY WERE SENT TO THE DIRECTOR OF DPW ALONG WITH THE REPORT OF INSPECTION. THE INSPECTIONS AND EVALUATIONS DIVISION COMPLIANCE OFFICER HAS COORDINATED WITH DPW ON VERIFYING COMPLIANCE WITH RECOMMENDATIONS OVER AN ESTABLISHED TIME PERIOD. AS PART OF THIS COMPLIANCE REVIEW, WE WILL BE SURE TO ALERT DPW LEADERSHIP AND THIS COMMITTEE ABOUT ANY ISSUES WHICH WE BELIEVE MIGHT THREATEN TIMELY IMPLEMENTATION OF OUR RECOMMENDATIONS.

AGAIN, THANK YOU FOR PROVIDING ME THE OPPORTUNITY TO ADDRESS THE ISSUES IDENTIFIED IN THIS REPORT. THIS CONCLUDES MY DISCUSSION OF THE MAJOR POINTS OF OUR REPORT ON THE OPERATIONS AT THE FLEET MANAGEMENT ADMINISTRATION. WE WILL BE PLEASED TO ANSWER ANY SPECIFIC QUESTIONS.