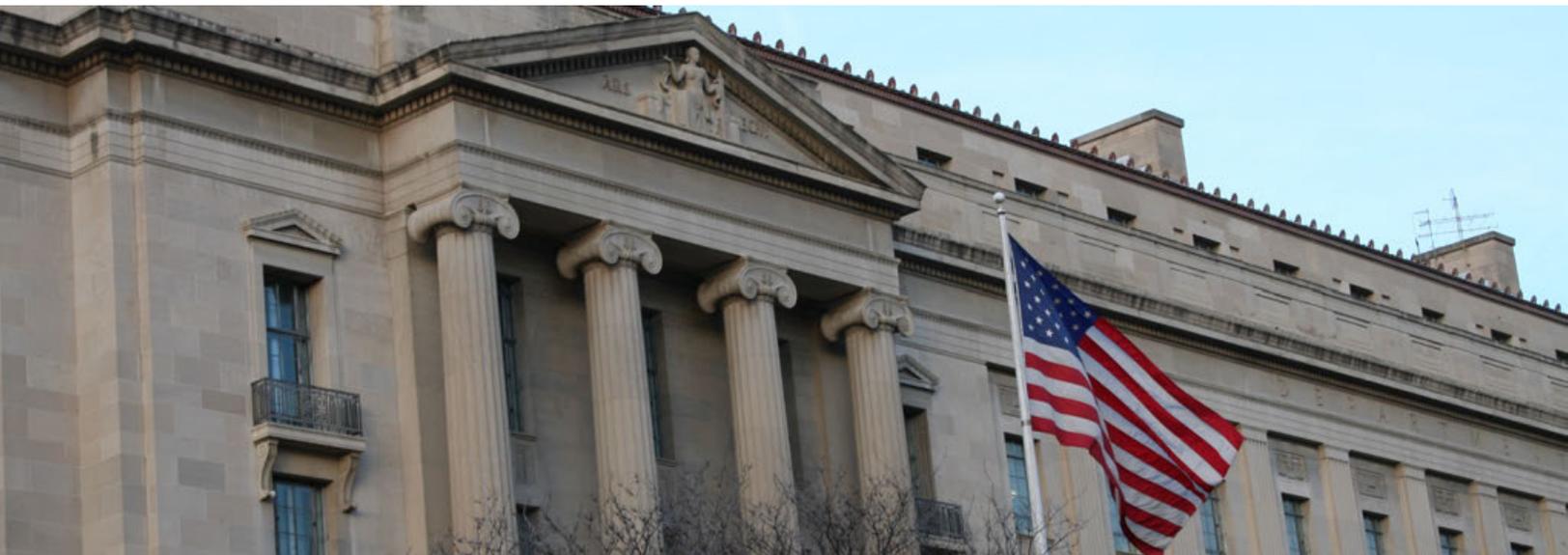




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Federal Bureau of
Investigation's Oversight and
Administration of the National
Vehicle Lease Program and Its
Contract with EAN Holdings, LLC**



Executive Summary

Audit of the Federal Bureau of Investigation's Oversight and Administration of the National Vehicle Lease Program and Its Contract with EAN Holdings, LLC

Objective

In February 2014, the Federal Bureau of Investigation (FBI) awarded contract number DJF-14-1200-V-0002657, with a total value of \$108 million, to EAN Holdings, LLC (EAN), also known as Enterprise-Rent-A-Car, to support the FBI's National Vehicle Lease Program (NVLP). The NVLP is used by the FBI to provide leased and rented vehicles to about 2,800 task force officers (TFO) assigned to FBI task forces around the country. The NVLP is funded by the Asset Forfeiture Program Joint Law Enforcement Operations.

The Department of Justice Office of the Inspector General (OIG) conducted an audit of this contract to assess the FBI's administration of the contract, and EAN's performance and compliance with the terms, conditions, and regulations applicable to this contract. We also examined the FBI's implementation of the NVLP, which this contract directly supports.

Results in Brief

Overall, TFOs were generally satisfied with the vehicles provided by EAN under the contract. However, we identified operational concerns associated with the FBI's decision to transition from EAN vehicles to exclusively General Services Administration (GSA) leased vehicles.

We also identified deficiencies with the FBI's administration, oversight, and monitoring of its EAN contract. We found the FBI's review of invoices was not adequate, resulting in \$538,791 in questioned costs and nearly \$1 million in fuel purchases that do not appear to be permitted under NVLP guidelines. The FBI also did not properly approve and justify TFOs use of EAN vehicles for routine home-to-work transportation. Finally, we found various instances of EAN's non-compliance with applicable regulations and contract terms and conditions, as well as insufficient quality assurance performed by the FBI and EAN.

Recommendations

Our report contains 21 recommendations to assist the FBI in improving its implementation of the NVLP and its contract administration, oversight, and monitoring.

Audit Results

Our audit focused on FBI oversight and administration of the NVLP, which included contract number DJF-14-1200-V-0002657, an indefinite delivery indefinite quantity contract that includes a 1-year base period with four 1-year option periods and a contract ceiling of \$108 million. Approximately \$81 million has been obligated on the contract as of November 2018. The contract was scheduled to end in February 2019.

Administration of NVLP and EAN Contract – The FBI is currently transitioning all TFO vehicles from the EAN contract to GSA-leased vehicles due to potential cost savings. However, in making this decision, the FBI did not adequately consider the operational impact the decision could have on task forces and the safety of TFOs. In particular, GSA lease terms prevent the FBI from switching out one leased vehicle for another even if a vehicle becomes known to investigative subjects, thereby impacting surveillance or other covert activities. While not all TFOs require the option to switch out vehicles, the FBI has not provided any options to those TFOs that might need to do so.

We further found that the FBI demonstrated a disregard for program and contract requirements that would have resulted in lower payments on the EAN contract. The FBI overpaid or could not adequately support payments for rental and lease costs, administrative fees, citations, fuel purchases, and other costs. This lax contract oversight resulted in \$538,791 in questioned costs, and nearly \$1 million in fuel purchases that do not appear to be permitted under NVLP guidelines.

Home-to-Work Transportation Authorization – The FBI determined that TFOs are eligible for routine home-to-work transportation approval under the Off-Duty or Emergency Response category of its Home-to-Work (HTW) Plan. However, we found that the FBI did not properly approve, in accordance with the detailed requirements of the FBI's HTW Plan, the use by TFOs of government vehicles for routine home-to-work transportation. Instead, FBI field offices provided blanket approvals to all TFOs for home-to-work transportation. The FBI did not require TFOs to complete the necessary forms, which identify key pieces



Executive Summary

Audit of the Federal Bureau of Investigation's Oversight and Administration of the National Vehicle Lease Program and Its Contract with EAN Holdings, LLC

of information. The FBI also did not include TFOs on the list of personnel approved for home-to-work transportation, which is reviewed semi-annually by the head of an office to ensure authorizations and justifications are proper and still necessary. These failures to follow FBI policy impacted the costs incurred under the contract related to damages, fuel, tolls, and citations as the FBI could not verify that the vehicles were used for official duty or approved commuting.

Invoice Review – We determined that the FBI did not adequately review invoices submitted by EAN and never requested additional detail. For example, for over 2 years, EAN submitted invoices that did not include sufficient detail for the FBI to determine if billed costs were valid and accurate.

Traffic and Parking Citations and Related Safety Issues – The NVLP provides that TFOs must pay their own traffic and parking citations unless the FBI determines the citations were required in the normal course of duty. However, we determined that the FBI automatically paid any citation received by TFOs, which totaled \$200,529 during the period of our review. The FBI did not request any information from TFOs concerning the circumstances leading to the citations. Our review of these citations identified concerns about the TFOs regard for the rules of the road and safety. We found that 153 TFOs received at least 5 violations, including 6 drivers who received 20 citations or more, with fines totaling \$8,882. Additionally, on one monthly invoice, we identified three school zone speed violations, including two from the same TFO.

Tolls and Associated Fees – Tolls are allowable as reasonable commuting costs, according to FBI guidelines. However, because the FBI did not require TFOs to complete home-to-work authorization forms, they did not have TFO commuting information and therefore could not review tolls to determine if they were reasonable commuting costs. We found the FBI paid \$266,187 in tolls and associated fees incurred by TFOs without support that these tolls were reasonable and incurred during the normal course of duty and commuting. Additionally, we found the FBI paid \$109,366 in excessive tolls and fees for express lane

usage and unpaid tolls, and because the TFO did not use a transponder.

Vehicle Damage – We found that the FBI did not adequately review EAN-billed damage costs and did not require adequate documentation for vehicle damage charges. We found the FBI paid \$257,031 in damages and fees that EAN charged to the contract that did not comply with contract terms. The FBI also paid \$9,013 in damages that appear to be the responsibility of a third party.

Controls over Fleet Cards – We found that the FBI did not provide adequate oversight over fleet cards used by TFOs to purchase fuel and pay for preventative maintenance. Under the NVLP, all vehicles should use regular unleaded fuel. However, we reviewed data maintained by the FBI's fleet card vendor that reflected \$994,420 in fuel costs billed for other than regular unleaded fuel. In response to our findings, the FBI and fleet card vendor told us this data is not reliable, and therefore they assumed the purchases were for regular unleaded fuel. However, because the FBI did not enforce the requirement that TFOs maintain receipts for purchases, we were unable to assess the reliability of the fleet card vendor's data. We also identified nearly \$200,000 in 2015 lease and rental costs for vehicles that did not have any associated fuel purchases in 2015, raising concerns about FBI monitoring of vehicle use. Finally, we identified \$22,797 in fuel purchases that were not associated with an FBI-rented or -leased vehicle.

Contract Oversight and Quality Assurance – The FBI and EAN did not exercise sufficient oversight and quality assurance over the contract. We identified various instances of EAN's non-compliance with contract terms and conditions. We also determined the FBI did not have a quality assurance surveillance plan, as required by the Federal Acquisition Regulations (FAR), and did not timely submit three Contract Performance Assessment Reports, which are used by government entities to assess contractor performance. Finally, although required by the contract, we found EAN did not have a formal quality assurance plan and did not complete the required quality assurance reviews.

**AUDIT OF THE FEDERAL BUREAU OF INVESTIGATION'S
OVERSIGHT AND ADMINISTRATION OF THE NATIONAL
VEHICLE LEASE PROGRAM INCLUDING ITS CONTRACT WITH
EAN HOLDINGS, LLC**

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AUDIT OF THE FEDERAL BUREAU OF INVESTIGATION'S OVERSIGHT AND ADMINISTRATION OF THE NATIONAL VEHICLE LEASE PROGRAM AND ITS CONTRACT WITH EAN HOLDINGS, LLC

INTRODUCTION

In 2006, the Federal Bureau of Investigations (FBI) established the National Vehicle Lease Program (NVLP). Through the NVLP, the FBI provides long and short-term leased and rented vehicles to about 2,800 task force officers (TFO) assigned to FBI-led task forces around the country. TFOs are state and local law enforcement officers who work together with the FBI on joint task forces to address specific crime problems such as organized crime, cyber-crime, narcotics, and bank robberies. In addition to leased and rented vehicles, the NVLP supports maintenance and repair for vehicles and provides fuel for official usage. The NVLP is funded by the Asset Forfeiture Program Joint Law Enforcement Operations, which can be used to pay for officer overtime and a variety of critical equipment needs, such as ballistic shields, helmets, and vehicles that are necessary to ensure officer safety.

The original contract to support the NVLP was awarded to a small business, but it was ultimately determined that this business was unable to support the demands of the program, and that contract was replaced with a contract awarded to EAN Holdings, LLC (EAN), also known as Enterprise-Rent-A-Car. The first EAN contract ran from February 2009 through February 2014, during which time the program grew by 50 percent and expanded to support new and previously established task forces.

In February 2014, the FBI competitively awarded contract DJF-14-1200-V-0002657 to EAN to continue providing vehicles, maintenance, and fuel under the NVLP to support the operations of FBI task forces throughout all 50 states and Puerto Rico. The contract includes a base year and four option years and was scheduled to end on February 5, 2019. The contract is an indefinite delivery indefinite quantity contract with yearly economic price adjustment based on the Consumer Price Index. The total contract value is \$108 million, and about \$81 million has been obligated as of November 2018.

While the contract between the FBI and EAN prescribes the provision of vehicles to TFOs, the NVLP provides guidance to TFOs regarding vehicle use under this contract. This includes vehicle use restrictions; lease ordering instructions; rental switch out options; vehicle tax, tags, and registration requirements; vehicle repair and maintenance obligations; fuel cards procedures; responsibilities for parking and traffic violations; and accident policies.

OIG Audit Approach

The objective of the audit was to assess the FBI's administration of the contract, and EAN's performance and compliance with the terms, conditions, laws,

and regulations applicable to this contract in the areas of: (1) contractor performance; (2) billings and payments; and (3) contract management, oversight, and monitoring. Table 1 summarizes the OIG’s audit approach. Additional information about our approach to this audit can be found in Appendix 1.

Table 1
OIG Audit Approach

Objective Area	Methodology
Contractor Performance	Interviewed EAN personnel and reviewed documentation related to vehicle registration and delivery.
Billings and Payment	Traced selected invoices to source documentation, reviewed documentation related to damages, citation, and tolls, and reviewed fuel data.
Contract Management, Oversight, and Monitoring	Reviewed the Acquisition Plan, Source Selection Plan, Market Research Report, and cost analyses, interviewed FBI contracting personnel and TFOs, surveyed Safe Streets TFOs, performed a utilization analysis using fuel and invoice data, and reviewed quality assurance procedures.

Source: OIG, FBI, EAN

AUDIT RESULTS

Overall, we determined that TFOs were generally satisfied with the vehicles provided by EAN under the contract. However, we identified operational concerns associated with the FBI's decision to transition to GSA-leased vehicles and with its home-to-work transportation policy. We also noted several deficiencies in the FBI's administration and oversight of the contract.

We learned during the audit that the FBI is currently in the process of shifting all TFO vehicles from the EAN contract to GSA-leased vehicles. The FBI's primary justification for switching exclusively to GSA-leased vehicles is cost savings, which is of course an important and appropriate consideration. However, during the course of our field work, several TFOs expressed concerns with this shift due to its operational impact on the task forces and increased safety risk to TFOs using GSA vehicles. The TFOs primary concern about using GSA vehicles is an inability to replace vehicles compromised during investigative activities, which is due to the lease terms.

Additionally, we found that the FBI failed to properly approve and justify TFOs use of government vehicles for routine home-to-work transportation, which affected costs incurred under the contract with EAN. Further, we identified \$540,712 in dollar related findings due to deficiencies in the FBI's administration and oversight of this contract. Specifically, the FBI did not adequately review EAN invoices and incorrectly paid for items such as citations, maintenance costs, and damages. In many cases, had the FBI adequately reviewed invoices, it would have been apparent that these costs were billed in violation of contract terms or were the responsibility of either EAN or individual TFOs. For example, the FBI paid over \$200,000 in citations without adequate review, including multiple citations issued to TFOs for speeding in school zones, which also raises concerns about TFO's regard for the rules of the road and safety.

We also determined that the FBI paid almost \$1 million for fuel that may not have been authorized by the contract, despite an acknowledgement that the data provided by the vendor was unreliable. We were unable to determine if these costs were appropriate unleaded fuel purchases because FBI did not enforce its requirement that TFOs maintain receipts for fuel purchases. Finally, the FBI never prepared a quality assurance surveillance plan, and was unaware that EAN had not completed quality assurance reviews required by the contract.

Transition to GSA-Leased Vehicles

According to the FBI's contract with EAN, the FBI reserves the right to increase or decrease the expected requirement for yearly rentals and leases. If EAN pricing is not deemed competitive with that provided by GSA, or it is deemed in the best interests of the government to consolidate leased vehicle requirements under GSA, the FBI reserves the right to reduce the scope of its contract with EAN to exclude lease options.

Since 2013, the FBI has been shifting rented and leased vehicle needs from the EAN contract to GSA-leased vehicles. By the end of the contract in February 2019, the FBI plans to have all TFO vehicles transitioned to GSA-leased vehicles. While not specifically related to the FBI's administration of the EAN contract, we determined that this shift away from the contract with EAN may have a potentially negative impact on the operations and safety of task forces.

FBI's Cost Analysis

FBI officials cited cost savings as the most significant reason for the shift to GSA-leased vehicles. The FBI provided two cost savings estimates to support its decision to transfer to GSA its needs for all leased task force vehicles. A cost analysis performed by the FBI, dated June 2013, showed an annual cost savings of \$2.28 million for 754 Joint Terrorism Task Force (JTTF) vehicles. It compared the April 2013 historical cost under EAN to an estimate of the monthly cost under GSA and extrapolated the monthly savings to compute the annual costs.

A second cost analysis performed by the FBI, dated April 2015, showed an annual cost savings of \$1.93 million for 396 vehicles for Regional Computer Forensics Laboratory (RCFL), Crimes Against Children (CAC), and Cyber Crimes (CY) task forces. The analysis compared 2014 historical costs to an estimate of GSA costs. Again, the analysis did not include any details of how the GSA estimate was calculated, and the FBI did not maintain the documentation to support the estimate.

This cost analysis included a list of additional financial benefits in support of the decision to use GSA-leased vehicles, including: (1) getting the right vehicle for the right price; (2) reduction in cost to the government due to GSA's mandate to not profit in a government to government program; (3) lease cost and mileage rate includes use of the vehicle, fuel, maintenance, and accident management; (4) GSA manages all aspects of the life cycle of the vehicle so that replacement of vehicles is automated based on mileage and/or time in service; and (5) when a vehicle is involved in an accident, GSA provides a short term rental in order to keep the employee operational.

Additionally, the analysis noted that the drawback to using GSA-leased vehicles is that all vehicles are issued with a government tag or license plate, and it would be the FBI's responsibility to register the vehicles and obtain covert or state tags.

Based on the cost savings cited for these 4 task forces, the FBI decided to transition all rented and leased vehicle needs under the EAN contract used by the remaining 10 task forces to GSA-leased vehicles. Other than the potential cost savings information, we were not provided any information indicating that the FBI considered any other factors except those listed above, including input from the TFOs using the cars, to make its decision to transition the remaining EAN vehicles to GSA-leased vehicles. The FBI expects to complete the transition by the end of the EAN contract in 2019.

Contract Requirements

During the acquisition process for the current EAN contract, the FBI clearly stated that unlimited switch outs – returning one car for another – for rented vehicles was an important contract requirement. The EAN contract allows for unlimited switch outs of vehicles at no cost to the FBI. This is important if a vehicle is identified by a target as a law enforcement vehicle, or “burned,” or if a TFO requires a different type of vehicle to perform a specific activity. However, under the GSA lease program, vehicles can only be relocated or exchanged at the FBI’s expense.

The FBI’s Acquisition Plan specified that the GSA Fleet Leasing Program did not support short-term lease and rental options, which are required to support NVLP’s expedited trade-in and covert operations.¹ Of the three evaluation factors included in the FBI’s Source Selection Plan – the plan that outlines the criteria against which proposals will be evaluated, price was ranked third in order of importance after security, and vendor capabilities and past performance. In addition, the FBI’s Market Research Report issued during the acquisition process explained that the EAN rental program was slightly less cost effective than the EAN leasing program, but also noted that the rental program was nevertheless “very important” to the operations of FBI’s Criminal Investigative program because once vehicles were identified by targets they must be swapped for new vehicles with very little notice. The EAN contract also contained similar language, stating that due to the nature of task force operations, it is sometimes necessary for cars to be swapped with very little notice.

Table 2 shows the average usage of rental and leased vehicles per month by task force from 2015 through 2017. The majority of vehicles used by task forces were rentals, accounting for over 80 percent of the total. Throughout the EAN contract period, FBI Safe Streets task forces solely utilized the rental option, with an average monthly rental of 1,343 vehicles from 2015 through 2017. We found that the Safe Streets task forces were also the primary users of the switch out option. For example, one TFO, working on the Safe Streets task force in Denver, Colorado, stated that he burned four to five vehicles in a 3-year period. However, under the GSA lease program, TFOs will typically use their GSA-leased vehicles for 3 to 7 years depending on mileage and type of vehicle, without an unlimited switch out option.

¹ An Acquisition Plan details the requirements of the procurement as well as the factors to be considered when assessing competing bids.

Table 2
Average Monthly Rental and Lease Usage by Task Force by Calendar Year

		2015		2016		2017	
	Task Force	Rentals	Leases	Rentals	Leases	Rentals	Leases
Non-Safe Streets	Crimes Against Children (CAC)	89	207	75	195	32	123
	Civil Rights (CRU)	7	-	14	-	-	-
	Cyber Crime (CY)	18	52	9	46	9	12
	Health Care Fraud (HCF)	3	-	8	-	5	-
	Hybrid Task Force (HTF)	37	-	52	-	103	-
	Mortgage Fraud (MF)	14	1	14	1	19	-
	Organized Crime	36	-	42	-	47	-
	Public Corruption (PCU)	55	-	54	-	56	-
	Regional Computer Forensics Laboratory (RCFL)	1	115	-	102	-	26
	Total Non-Safe Streets^a	260	374	266	344	272	161
Safe Streets	Major Theft (MT)	20	-	22	-	24	-
	Safe Streets (SS)	1,106	-	1,110	-	1,005	-
	Safe Trails (ST)	51	-	56	-	46	-
	Violent Crime (VC)	275	-	268	-	48	-
	Total Safe Streets	1,452	-	1,456	-	1,123	-
	Total^a	1,711	374	1,722	344	1,395	161

Source: EAN

Note: Leased vehicles for JTTF were not included in this chart since the task force stopped using this contract in July 2015.

^a Differences due to rounding.

Task Force Officer Feedback

During interviews with TFOs and FBI personnel at the FBI's Denver and Birmingham Field Offices, many TFOs explained they were satisfied with the vehicles provided under the EAN contract, but expressed concern with the shift to GSA-leased vehicles, including negatively impacting the operations of their task forces.

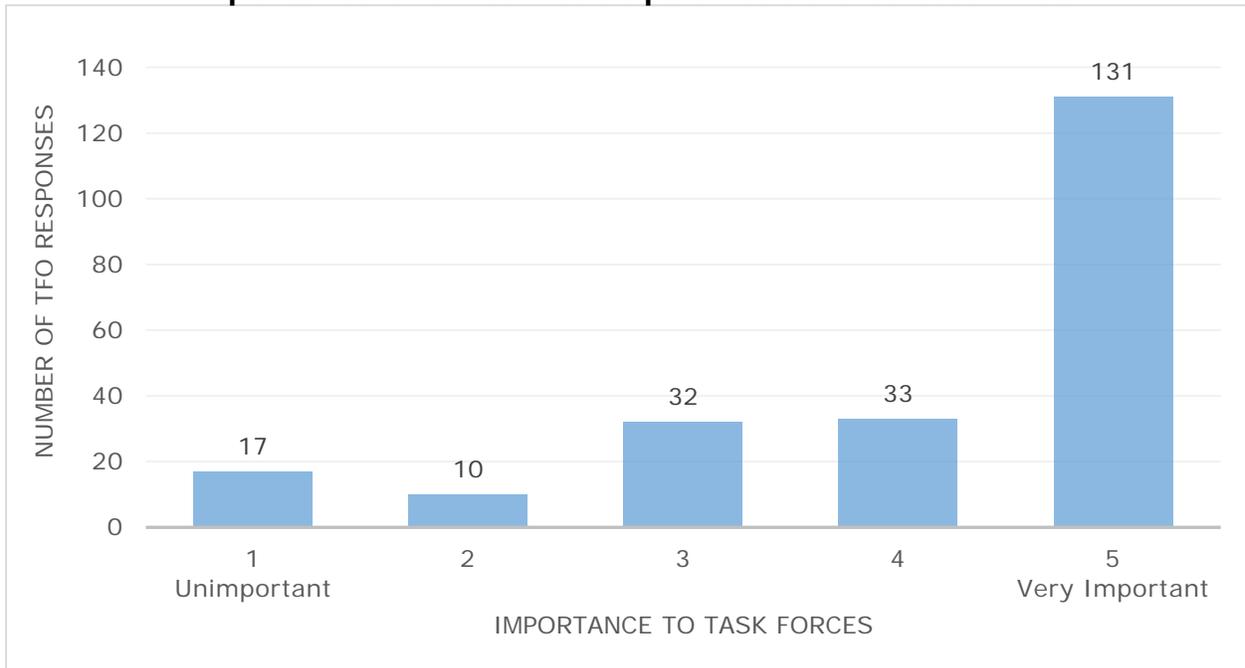
To better understand the needs of TFOs and the impact this change has on task forces, we surveyed 496 Safe Streets TFOs, the primary users of the switch-out option. We asked the TFOs six questions related to the EAN and GSA contracts and provided TFOs the opportunity to provide additional comments. We received 223 responses (a 45 percent response rate), including 119 additional TFO comments. Of the respondents, 86 percent had used EAN vehicles in the past, and 90 percent were currently using a GSA vehicle.

Importance of the Switch-Out Option

We asked Safe Streets TFOs to rate the importance of the ability to switch out vehicles at the TFOs request on a scale from one through five, with one being unimportant and five being very important. Figure 3 below, shows the responses from the 223 Safe Streets TFOs.

Figure 1

Importance of Switch-Out Option to Safe Streets TFOs



Source: Safe Street TFOs

As shown in Figure 1, 74 percent of the respondents rated the importance of the switch-out option a four or five. Additionally, 80 percent of respondents answered that the inability to swap out GSA vehicles impacts their task force operationally. An FBI Special Agent explained that it could limit the amount of officers available for surveillance. This could result in the surveillance not being performed or additional vehicles being burned due to insufficient availability of uncompromised vehicles for safe and successful surveillance. A Safe Streets TFO in the Denver Field Office, whose task force switched to GSA-leased vehicles, said that six out of eight of the task force's GSA-leased vehicles incurred hail damage, and GSA decided not to repair the vehicles. A TFO explained that sophisticated targets could recognize hail damage on multiple vehicles, which can be identifying markers that could potentially risk their operation.

TFO respondents provided 64 additional comments related to the need to switch out vehicles. TFOs explained that task forces conduct surveillance, perform drug or gun buys, engage in undercover meetings, and perform takedowns or arrests. These tasks are more effectively performed with a lower risk of detection if TFOs are able to switch out vehicles frequently.

According to the TFO respondents, TFOs often use Confidential Human Sources (CHS) when conducting investigations. These sources can be at risk if they are seen entering or exiting a known law enforcement vehicle. Additionally, many of the sources are criminals themselves and could expose the TFO's vehicle to other criminals.

According to TFOs, the targets of task forces are often sophisticated and conduct counter surveillance to identify law enforcement. Targets are known to take pictures of undercover vehicles and post them on social media or provide them to criminal associates. TFOs noted that they have listened through a wiretap as targets discussed undercover vehicles and TFO identities.

TFO respondents provided 10 additional comments related to the importance of the switch-out option and the ability to obtain the proper vehicle for a specific task. For example, one TFO explained that he also works as a Special Weapons and Tactics (SWAT) operator with his local agency, and having the ability to rent different types of vehicles allows him to secure his SWAT equipment when necessary.

According to TFOs, the conditions and circumstances in criminal investigations change frequently. Therefore, TFOs expressed that paramount to successful investigations is the ability to switch out vehicles quickly and for various makes and models, which allows TFOs the capability to perform different tasks and maintain anonymity.

While not all TFOs require the option to switch out vehicles, the FBI has not provided any options to TFOs that do need the switch out option to address this safety concern.

TFO QUOTES

"The ability to trade out vehicles while operating in an unmarked or undercover capacity is paramount to safety and operations."

"Not having the ability to swap out vehicles could jeopardize the overall success of the operation."

"Being able to switch out vehicles during long term investigations was huge. We are at a disadvantage conducting surveillance in the same vehicles in the same area for months or even years at a time."

"The ability to procure a wide variety of vehicles Enterprise offered is beneficial to police work in general."

"Being able to quickly change out the vehicle... helps with surveillance [and] transport of personnel, evidence, and equipment."

"The ability to switch vehicles for surveillance or the mission at hand was a great tool with the Enterprise vehicles."

Safety Risk to TFOs

Of the respondents, 75 percent answered that the inability to switch out GSA vehicles has the potential to create a safety risk for members of their task force. TFO respondents provided 21 additional comments related to safety concerns resulting from the inability to switch out vehicles.

For example, included among the 21 comments was one by a TFO who described that his GSA vehicle was “burned” during surveillance about 2 weeks after receiving the vehicle, and he was only able to obtain new license plates. He explained that this caused safety issues, as the case is on-going and it has limited his ability to conduct surveillance. Another TFO expressed concern that his family could be put at risk if his vehicle is identified and the target follows him home.

Concerns with GSA-Leased Vehicles

TFO respondents provided 28 additional comments related to inadequate GSA-leased vehicles, logistical issues with receiving the vehicles and getting them outfitted with law enforcement packages and covert license plates, and completing required maintenance and repairs on the vehicles.

An example of the 28 comments that we received was one by a TFO who stated that the amount of money provided to install lights, sirens, window tint, and a lock box in the GSA vehicles was not adequate.² Multiple TFOs also expressed concern about the length of time it took to install the law enforcement package and receive non-government license plates, thereby leaving the TFOs without properly equipped covert vehicles.

Another TFO encountered issues each time his GSA vehicle needed to be serviced. He explained that the service shop was required to call GSA customer service, ultimately causing extended wait times at the shop, as well as service work not being completed in a timely manner. Another TFO stated that he has

TFO QUOTES

“In the past month two officers, including undercover detectives, have been shot at due to their identity being established. Enough said.”

“The inability to switch out a vehicle hampers the overall success of the operation... as well as, presents a safety risk to TFOs.”

“Not being able to switch out my vehicle poses a substantial risk not only to Officers but the CHS as well.”

“Having the same cars for long periods of times [sic] is a great safety risk to officers and the integrity of the cases.”

“The GSA vehicles that were delivered are generally under-powered and not meant to be utilized as law enforcement vehicles.”

“Based on our inability to change vehicles and the limited types of vehicle that GSA has administered, it has negatively impacted our ability to carry out our mission.”

² FBI officials stated this did not include authorization for sirens.

encountered issues determining where, how, or when to service his GSA vehicle.

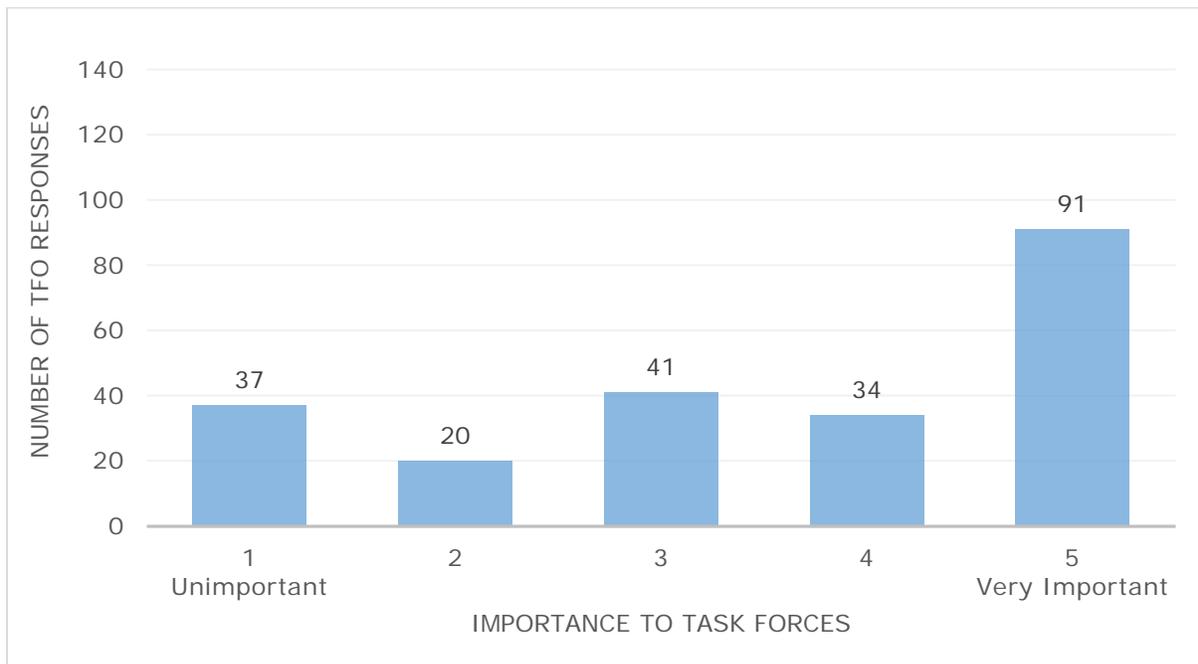
TFOs also explained that the selection and variety of vehicles available through GSA was inadequate. One TFO explained that the make and models of GSA vehicles provided were the same make and models used by the local law enforcement agency. Additionally, according to a TFO, the GSA vehicles have the look of police or federal government vehicles because they are base models with plain steel wheels.

Law Enforcement Package

The EAN contract does not allow a law enforcement package such as lights and sirens to be installed on the vehicles that require vehicle alterations. TFOs can install temporary lights and sirens, but they cannot do any permanent damage to the vehicle to install any equipment.

We asked TFOs to rate the importance of the ability to install a law enforcement package on a scale from one through five, with one being unimportant and five being very important. Figure 2 below, shows the responses from the 223 Safe Streets TFOs.

Figure 2
Importance of Law Enforcement Package to TFOs



Source: Safe Street TFOs

Of the respondents, 56 percent rated the ability to install law enforcement packages to vehicles as a four or five. TFO respondents provided 13 additional comments related to law enforcement packages on vehicles including:

- Officers respond to calls on occasion or perform takedowns which is unsafe without having the proper equipment.
- It is essential that my vehicle be equipped with lights and a siren because I serve on a reactive squad that responds to emergency situations.

Based on the feedback from TFOs, it appears that different task forces have different requirements and purposes for the provided vehicles. Although the switch to GSA-leased vehicles was made as a cost saving measure, as explained by the FBI in the acquisition documentation for the EAN contract, cost is not the only factor that should be considered. For some TFOs, shifting all vehicles to GSA-leased vehicles has hindered task force operations, thereby diminishing the value of providing cars to TFOs. In even more serious instances, the shift to GSA-leased vehicles has created a potential safety risk to TFOs, including concerns that a burned vehicle's continued use resulted in shots fired at officers. Conversely, there are TFOs who prefer keeping vehicles for a longer time period and having the ability to outfit the vehicles with a law enforcement package. Given the diversity of the missions of the 14 task forces using the vehicles, it is important to take the needs and safety of the end users into account when making decisions. Therefore, we recommend the FBI assess the different needs of TFOs and determine appropriate vehicle options, considering each task force's operations, TFO safety, cost, and other relevant factors.

Home-to-Work Transportation Authorization

Despite the absence of any authorizations and justifications, we determined that TFOs often utilize the vehicles rented and leased under the EAN contract to commute between their private residence and workplace. Under 31 U.S.C. §1344, the FBI is authorized for home-to-work travel under the law enforcement exception, which allows home-to-work travel when the travel is essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties. The FBI Home-to-Work (HTW) Plan, approved by the Attorney General on January 29, 2001, details the authorization of government-owned vehicles for home-to-work transportation. It specifies seven categories of personnel that were approved for home-to-work transportation. Although FBI has not prepared or implemented a formal written policy with regard to TFOs, FBI officials stated that TFOs fall under category six, Field Office Special Agents Designated for Off-Duty or Emergency Response.

Specifically, in relation to category six, the FBI HTW Plan states that in order to provide an adequate capacity to respond to emergency and other investigative demands during off-duty hours, a contingent of Special Agents selected by the official in charge of a field office are authorized to use government vehicles for home-to-work transportation. This category only references Special Agents and does not include TFOs or other non-FBI personnel in its description. The FBI did

not provide any documentation indicating an official designation of TFOs as Field Office Special Agents Designated for Off-Duty or Emergency Response. We recommend the FBI submit an update to its HTW Plan to the Department or issue clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it relates to the HTW Plan.

Further, the FBI HTW Plan requires that all Field Office FBI personnel have written authorization, by means of a completed FBI form FD-490, for home-to-work use of their government-issued vehicle. Form FD-490 identifies the employee, the authorizing official, the vehicle, the distance in miles from the employee's residence to his or her workplace, the facts justifying selection under category six or seven of the FBI HTW Plan, and the duration of authorized use. The OIG requested the FD-490 forms for all TFOs assigned to the Denver FBI Field Office in order to determine the permissibility of TFO commuting costs such as tolls, fuel, or damages. However, FBI personnel stated that TFOs did not complete FD-490 forms because they were included under category six in the FBI HTW Plan and that FD-490 forms are only required for temporary home-to-work situations. However, this contradicts the Attorney General approved FBI HTW Plan, which requires records for all Field Office FBI personnel with authorization for home-to-work transportation. Overall, we found that the FBI did not require any of the TFOs to complete the FD-490 forms and, therefore, the FBI did not properly approve or provide a documented justification for TFOs to use government vehicles for home-to-work transportation.

The FBI HTW Plan also states that each field office shall maintain a current list of employees who are authorized to take government vehicles home on a routine basis. The FBI HTW Plan further requires that each office perform and document a semi-annual review of the authorizations to determine that the authorizations and justifications are proper and continue to be necessary. We requested these reviews from each FBI field office for the period of June 15, 2017, through December 15, 2017. The majority of field offices did not include TFOs on its list of employees authorized to take government vehicles home on a routine basis. However, in response to our inquiries as part of this audit, on May 21, 2018, the FBI sent an email to all field offices advising that TFOs using leased vehicles should be included on the semi-annual list. The email did not include any guidance related to TFOs using rented vehicles. In the semi-annual reviews for the period between December 15, 2017, through June 15, 2018, field offices began including TFOs on the semi-annual list of personnel authorized to take government vehicles home on a routine basis.

Additionally, the FBI HTW Plan states that the selection process for off-duty or emergency response personnel under category six shall be based upon the operational requirements of the field office and the functions performed by such Special Agents, which are deemed necessary to meet these requirements. Based on this guidance, a blanket approval that all Special Agents and TFOs are authorized for home-to-work transportation is inconsistent with the FBI's HTW Plan. In our judgment, prior to authorizing individual TFOs for home-to-work transportation, the FBI's HTW Plan requires the field offices to document the specific requirements necessary to respond to an emergency situation and why the individual personnel under this category meet those requirements.

We recommend the FBI develop and implement a policy for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours. Additionally, we recommend that the FBI provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation.

Billing and Payments

For each applicable task force, EAN submits monthly invoices to the FBI for recurring rental and lease charges, other lease and rental charges, and fuel and maintenance charges. According to the contract, monthly invoice amounts should be based on the applicable prices identified in EAN's pricing table, which outlined the monthly lease and rental rates, and the Pricing and Fee Addendum, which included a list of charges and fees allowable under the contract. We tested a sample of invoices and identified unsupported and unallowable costs paid by the FBI, demonstrating a lack of adequate invoice review and contract monitoring, which we discuss further in the applicable sections of this report.

Invoice Review by the FBI

Through delegation letters, the Contracting Officer authorized invoice review and approval responsibilities to the Contracting Officer's Representative (COR) for the NVLP. One letter stated that the COR was to review, verify, and approve proper invoices, but it was not the COR's responsibility to reject or deny any invoice. The letter directed the COR to notify the Contracting Officer when an invoice was improper.

The non-recurring lease invoices that EAN submitted to the FBI included expenses such as tolls, citations, registration fees, lease settlement charges, and taxes. These expenses are in addition to the monthly lease rate to use the car, which is billed through the recurring lease invoices. Based on our review, we found that, on the non-recurring lease invoices we tested, EAN billed and the FBI paid for charges that did not identify the specific type or reason for the charge.

Additionally, we found that in July 2015 EAN changed how it identified the non-recurring types of charges on its invoices. Instead of identifying specific categories of charges such as tolls and citations, EAN identified the majority of the non-recurring charges as Other Charges-See Invoice or Maintenance Charges. The contract required that invoices include a description of the costs including the services provided. However, EAN did not include any supporting documentation to identify the specifics of these charges. EAN officials explained the change occurred as a result of moving to a new computer system. EAN officials also confirmed that the FBI received these non-recurring lease invoices with charges classified as Other Charges-See Invoice or Maintenance Charges, and that the FBI did not request additional information or explanation for these charges. EAN continued to submit the non-recurring lease invoices with incomplete information for 2.5 years until we alerted EAN to the problem. Between July 2015 and January 2018 EAN billed \$367,612 without an adequate description of the charges. After we brought this concern to

EAN's attention, EAN started including additional detail to the non-recurring lease invoices as of February 2018.

Additionally, despite the lack of information provided by EAN, we confirmed that the COR did not request any additional information from EAN when an invoice was lacking adequate detail to verify the charges. Further, the COR approved these invoices for payment and did not notify the Contracting Officer about deficiencies in the EAN invoices due to inadequate detail.

Therefore, for more than 2.5 years, the FBI did not have the information necessary to perform an adequate invoice review to ensure charges were valid, accurate, and in accordance with the contract terms. A proper review would require that the FBI have the specific details of the charges classified as Other Charges-See Invoice or Maintenance Charges. Based on our detailed invoice testing discussed below, we believe the FBI's inadequate review of the invoices for rental and leased vehicles and its failure to ensure the charges EAN billed were valid and accurate has led to potential waste and abuse of these funds. We recommend the FBI develop procedures to ensure all invoices are adequately reviewed, which includes a process to obtain supporting documentation and verify invoiced costs.

Traffic and Parking Citations

The Federal Management Regulation (FMR) states that users of a government motor vehicle who violate state or local traffic laws and are fined or otherwise penalized for an offense committed while performing official duties, but which was not required as part of official duties, is the responsibility of the user.³ Further, payment of a parking violation incurred while operating a motor vehicle owned or leased by the government is the responsibility of the user and the user will not be reimbursed.

Consistent with the FMR, the FBI's NVLP Program Guidance Manual states that parking violations and traffic citations are the responsibility of the individual operator of the vehicle and must be resolved promptly. The NVLP Program Guidance Manual notes that repetitive violations may result in removal of the driver from participation in the program. The NVLP Program Guidance Manual further provides that, in the event a violation occurs while conducting official duties, upon verification, FBI Headquarters may deem the violation allowable and approve appropriated funds to pay the violation.

³ Per FMR § 102-34.35, the definition of a government motor vehicles means any motor vehicle that the government owns or leases.

EAN, as the owner of record for the leased NVLP vehicles, would receive mailed and electronic citations for parking and traffic violations committed by TFOs while driving NVLP vehicles. Consistent with the NVLP Program Overview, EAN paid the citations and billed the FBI for the cost of the citations, along with an administrative fee provided for in the Pricing and Fee Addendum.⁴ However, despite the provisions of the FMR and the NVLP Program Guidance Manual, we learned from the COR that the FBI automatically paid any citations received by TFOs with no further action taken because citations were assumed to be the result of TFOs conducting official duties. We found that the FBI did not make any attempt to notify the TFO who received the citation, obtain details of how the citation occurred, or seek reimbursement from the TFO as appropriate.

EAN charged and the FBI paid \$200,529 in parking and traffic violations and associated fees. Six drivers received 20 or more citations, raising additional concerns about the TFOs regard for the rules of the road and safety.

Table 3 shows the number of violations by task force paid by the FBI for TFOs from April 2014 through January 2018. As reflected in the table, during this period, 153 drivers received at least 5 violations, including 6 drivers who received 20 citations or more, with fines totaling \$8,882. Additionally, on one monthly invoice, we identified three school zone speed violations, including two from the same TFO, which raises concerns about the TFOs regard for the rules of the road and safety. In total, EAN billed and the FBI paid \$200,529 for parking and traffic violations and the administration fees associated with leased vehicle citations received by TFOs from April 2014 through January 2018. These violations ranged from under \$50 to as high as \$790.

⁴ The NVLP Program Overview is a document provided by EAN to the FBI that provides details on how EAN will provide service to the NVLP program such as vehicle ordering, invoicing, and vehicle maintenance.

Table 3
Number of Citations Paid by the FBI for TFOs
April 2014 through January 2018

Task Force	Number of Drivers Receiving Violations	Number of Violations						Total
		1-2	3-4	5-10	11-15	16-19	20+	
CAC		70	19	9	1	0	0	99
CRU		3	0	0	0	0	0	3
CY		14	3	2	1	1	0	21
HCF		2	1	1	0	0	0	4
HTF		19	7	1	1	0	0	28
JTTF		76	10	3	0	0	0	89
MF		4	0	1	1	0	0	6
OCP		14	8	6	3	0	1	32
PCU		21	3	2	0	1	0	27
RCFL		11	1	0	0	0	0	12
SS		280	92	72	8	7	3	462
ST		2	0	0	0	0	0	2
MT		11	3	2	0	0	0	16
VC		78	24	17	4	3	2	128
Total		605	171	116	19	12	6	929

Source: EAN

Additionally, the contract requires that EAN provide the FBI a weekly electronic report of all citations received on leased or rented vehicles. We asked FBI Program Managers if they received the weekly summaries of citations for their assigned task force.⁵ Of the seven FBI Program Managers that responded to our inquiry, only one confirmed receipt of the weekly summaries with supporting documentation for the citations. When we asked EAN for any summaries that EAN had sent to FBI Program Managers, an EAN official told us that the EAN individual responsible for sending the summaries did not maintain the sent emails. Therefore, we were unable to determine whether EAN sent summaries to all FBI Program Managers. However, based on our communications with FBI Program Managers, it appears EAN was not fully compliant with contract terms. We discuss later in this report in the *Inadequate Contract Oversight and Quality Assurance* section additional concerns with contract oversight and make a recommendation related to this finding in that section.

Overall, we found that the FBI failed to verify whether violations occurred as a result of TFOs performing official duties or if the violations were the responsibility

⁵ The COR provided us the list of the Program Managers for each task force. The SS, RCFL, CAC, CY, and HCF had more than one Program Manager assigned.

of the individual TFOs. Because no justifications were provided to support an FBI determination that the violations were allowable and approved for payment with appropriated funds, we consider these costs unsupported. We recommend that the FBI remedy \$200,529 in unsupported parking and traffic violations and associated administration fees, by reviewing each citation and providing proper justification for the payment of the citation or seek reimbursement from the TFO. Additionally, we recommend the FBI develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility in the NVLP program for repeat offenders of traffic laws.

Tolls and Associated Toll Fees

Similar to citations, EAN directly received mailed and electronic toll bills incurred by TFOs while driving NVLP vehicles. EAN paid tolls incurred by TFOs and billed the charges to the FBI each month. According to the FBI Government Vehicle Use Policy Guide, "generally, the costs of operating a [government vehicle] for official purposes (e.g., fuel, tolls, maintenance, and repairs) are borne by the United States, not by the employee operator. Employees who use [government vehicles] for nonofficial purposes may be held individually liable for the costs and liabilities of such use." The guidance also states that the FBI considers home-to-work transportation, when authorized, part of official duties. Based on this policy, if TFOs received approval to use their vehicles for commuting purposes, it is reasonable to expect that tolls incurred by a driver while commuting using the most common roadways would be allowable with approval from the FBI. However, as explained previously, TFOs did not have any authorization concerning home-to-work transportation, including approval to use tolls when commuting.

In discussions with FBI officials, we found that the FBI neither requested nor received supporting documentation from EAN for any of the toll charges to determine if paying tolls, including for commuting, was appropriate. From April 2014 to January 2018, EAN billed and the FBI paid \$266,187 for tolls. Specifics for each toll were not included on the invoice. The FBI did not consider the appropriateness of tolls for official business or commuting when approving toll costs or require a justification for the tolls incurred.

According to the GSA Office of Government-wide Policy's Federal Motor Vehicle Regulations and Policies, use of express lanes or hot lanes are not to be used for the convenience of the driver. Based on our invoice testing, EAN sometimes identified the roadway where the toll charge was incurred, such as the I-495 Express Lanes in Virginia that commuters in the Washington, D.C., area can use for a fee that varies depending on traffic volume. From April 2014 through January 2018, we identified that EAN billed and the FBI paid \$19,257 in toll charges for express lanes specifically identified on an invoice. The FBI did not require a justification from the TFOs for the express tolls incurred.

In addition to tolls, we found EAN billed the FBI for various fees, which the FBI paid. Through our invoice testing, we found that such fees included late fees charged by the toll authority, EAN administration fees, and toll administrator fees for processing a toll for a vehicle without a transponder. For example, we found

that EAN billed the FBI for excessive toll administrator fees that EAN paid for drivers who used the I-495 Express Lanes in Virginia without a transponder. In one example, a TFO incurred 11 tolls in 2 months that totaled \$46.05. Along with the tolls, the TFO incurred \$137.50 in toll administrator fees, triple the cost of the tolls. Similarly, we found that EAN billed the FBI for seven unpaid tolls that EAN paid by a TFO who used Express Lanes in California. The tolls ranged from \$0.50 to \$8.00, but each toll was assessed a \$40 toll administrator fee because the driver did not pay the required toll and did not have a valid transponder. EAN also charged the FBI a \$10 administration fee for paying these tolls.⁶ Based on the toll documentation, this TFO incurred these tolls during typical commuting hours. In total, EAN billed and the FBI paid \$6,797 in toll charges and fees for this one TFO from April 2014 through October 2017.

Overall, it appears the FBI paid for excessive fees associated with tolls incurred by TFOs, demonstrating general disregard for the existing requirements to review and approve the appropriateness of these incurred charges. We were unable to determine how often this occurred or the total fees paid by the FBI for these violations because EAN did not provide on its invoices a breakout of the charges and because the FBI did not request such documentation for its review when paying the invoices or require TFOs to provide justification for the charges as a legitimate operational need. To attempt to determine the amount paid by the FBI for excessive fees, we identified all toll charges that exceeded \$75, an amount well above a typical toll charge, and which we therefore assume included a fee in addition to the toll. We found the FBI paid \$90,109 for individually-billed toll charges exceeding \$75. Based on our review of tolls, we recommend that the FBI implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or authorized commuting. We also recommend that the FBI implement policy regarding the use of express tolls and transponders.

Vehicle Damages

From April 2014 through January 2018, the FBI paid over \$2.7 million for rental vehicle damages. We focused our review of vehicle damages on rental vehicles because those damages made up the largest portion of vehicle damage charges paid by the FBI under this contract.⁷ According to the contract, the FBI's liability for reconditioning equipment for rental vehicles is limited to replacement glass and exterior trim, repair to body damage attributable to collision only, and repair of interior damage such as cut or burnt materials, as well as mechanical repairs.

⁶ We address the unallowable administration fees charged by EAN in the *EAN Administration Fees for Leased Vehicles* section of this report.

⁷ For leased vehicles, the FBI arranged and paid for any damage repairs directly. We did not review the costs for repairs to leased vehicles that the FBI paid directly to vendors. At the FBI's request, EAN also managed repairs for leased vehicles and charged the FBI an accident management charge.

For rental vehicles, the FBI was responsible for reimbursing EAN for certain rental vehicle damage costs, as prescribed in the contract. For these damages, EAN arranged for repairs to damaged rental vehicles and billed the FBI. The invoiced charge also included an EAN administration fee between \$50 and \$150 for each claim, and sometimes included a diminishment of value fee of about 10 percent of the damages. Both types of charges were not included in the contract's Pricing and Fee Addendum and therefore not allowed.

We reviewed 2,435 damage claims related to rental vehicles used by the TFOs under the EAN contract.⁸ While reviewing the information provided by EAN related to each damage claim, we noted that, in many instances, the information provided by EAN did not include enough detail to determine how the damage occurred or who was at fault. Therefore, we requested additional documentation for 13 incidents resulting in damages that EAN billed to the FBI. During our review of the documentation provided, we noted several instances where the estimate, the invoice from EAN, and the monthly invoice did not match. Again, this further demonstrates that the FBI did not adequately review the invoices from EAN and did not require adequate documentation to support the costs it paid.

Of the 2,435 damage claims, we identified 238 instances where the damage appeared to be caused by TFO driver carelessness, and in some instances, TFOs were cited for related traffic violations. Specifically, we reviewed a damage claim where a TFO struck a concrete culvert while reportedly driving from his home-to-work on a Sunday at 4:15 a.m., incurring \$31,556 in damage. The TFO explained, in the accident report and FBI incident report we reviewed, that he swerved to avoid another passing vehicle that merged in front of him too closely, causing him to strike the concrete culvert. According to the TFO, the other vehicle fled the scene. The TFO's address listed on his driver's license differed from the home address listed in the police report. As explained previously, the FBI did not enforce the requirement for TFOs to complete FD-490 forms, which required TFOs to identify their home address and work location. As such, it is not possible to verify which address was correct to ensure that the TFO was in fact appropriately using his vehicle for home-to-work transportation. In this case, the driver was cited for failure to maintain a safe lookout. The TFO was given another rental vehicle.

According to the contract, the FBI's liability for damage to vehicles was limited to collision, repair of interior damage such as cut or burnt materials, and mechanical repairs. Additionally, when an accident involves a third party, EAN seeks payment from the third party, if liable. We identified \$257,031 in damages paid by the FBI that, based on the contract language, did not appear to be the responsibility of the FBI. Table 4 provides a summary of those damages by calendar year.

⁸ EAN provided a listing of all damages to vehicles used by TFOs, which included some damage claims that were not billed to the FBI.

Table 4
Unallowable Damages by Calendar Year

	2014	2015	2016	2017	Total ^a
Weather	\$54,351	\$39,737	\$68,546	\$88,295	\$250,930
Other	-	40	-	1,194	1,234
Admin Fees	300	450	-	1,200	1,950
Diminishment of Value Fees	107	111	-	2,700	2,917
Total^a	\$54,758	\$40,338	\$68,546	\$93,390	\$257,031

Source: EAN

^a Differences in totals due to rounding.

As shown, we identified \$250,930 in damages caused by weather, such as hail. Because the FBI is not responsible for body damage that did not occur due to a collision, these costs should not have been billed by EAN or paid by the FBI. We also questioned \$1,234 in other damages that were not the responsibility of the FBI based on the contract terms. In an instance of other damage, a bear damaged a vehicle while it was in the TFOs garage. In another, a suspect's bicycle struck and damaged the vehicle while the vehicle was parked and the suspect was being apprehended. Again, these body damages did not occur as the result of a collision, and the costs should not have been billed by EAN or paid by the FBI. Lastly, we questioned the administration fees and diminishment of value fees that EAN charged the FBI for each claim of vehicle damage because they were not listed as approved costs in the contract's Pricing and Fee Addendum. Since EAN did not break out the fees from the total damage charge on the invoice, we were unable to determine how often this occurred or the total fees paid by the FBI for damages. However, based on the damage claims we reviewed, we identified \$1,950 of unallowable administration fees and \$2,917 of unallowable diminishment of value fees. Additional fees were likely included in the amounts paid by the FBI. In total, we recommend the FBI remedy \$257,031 in unallowable damage costs and fees that EAN charged to the contract that did not comply with contract terms.

We identified additional unsupported costs in circumstances where the FBI failed to demonstrate that they pursued payment from responsible third parties. Under the contract, if EAN is unable to collect payment from a third party for any reason and the FBI is invoiced for the damages, then it is up to FBI's legal counsel to determine if it will pursue the third party. While this approach is reasonable, we found instances where it did not appear the third party was pursued for payment or there was no documentation to show that the third party contested payment for the damages, and as such, we consider the costs unsupported. We recommend that the FBI remedy \$9,013 in unsupported costs related to third party damages.

Maintenance Charges

The contract stated that the monthly lease rates billed to the FBI include all preventative maintenance such as oil changes, tire rotations, lubricant, coolant, washer fluid, alignment, the repair of windshield chips, and warranty repairs. The

maintenance program covered vehicles until they reached a certain mileage or the lease expired. EAN personnel explained that when a vehicle is taken to a service shop for maintenance, the shop enters the current mileage of the vehicle in EAN's maintenance tracking system. The system determines if the vehicle is covered by the full maintenance program. If the vehicle or the service provided is not covered under the full maintenance program, EAN bills the customer accordingly. If the service cost is more than \$75, it requires review and approval by an EAN employee. If the service is less than \$75, the process is fully automated and requires no human approval. Thus, if the service shop enters the incorrect vehicle mileage, it can improperly bill a customer for services that should be fully covered. Through invoice testing, we identified four instances in which the incorrect mileage was entered by the service shop resulting in incorrect maintenance charges billed to the FBI.

We also identified an instance where the FBI was billed for maintenance because the TFO did not receive maintenance at the proper service shop, or the service shop did not obtain proper approval prior to performing the service. Our invoice testing identified a total of five instances where maintenance charges were incorrectly billed to the FBI when they should have been covered through the full maintenance program totaling \$443 in unallowable overbilled costs. We identified additional overbilled costs in the *Lease Invoice Charges* and *Monthly Rental Charges* sections where we make our recommendation related to overbilled costs. We recommend the FBI develop procedures for TFOs to log vehicle mileage on a routine basis to ensure proper billing for maintenance costs. We also recommend the FBI provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.

Lease Invoice Charges

According to the contract's Pricing and Fee Addendum, EAN provides the FBI with a quote sheet that includes the rates for all vehicles in that model year. However, the FBI could not provide the quoted rates; therefore, we relied solely on the rates provided by EAN. The quoted rate included the vehicle base rate and the full maintenance rate. The quoted rates provided by EAN at that time are locked in for the FBI.

EAN charged and the FBI paid \$5 per month over the quoted price for each 2015 leased vehicle totaling \$44,520.

EAN then added taxes and fees when a vehicle was actually leased, which varied based on location. For 2015 model year leased vehicles, the quote sheet included a \$5 per month discount per vehicle. However, when the rates were entered into the EAN lease system, the discount was not included. Therefore, the FBI did not receive the discounted rates it was quoted for 2015 model year leased vehicles. We estimated this \$5 discount that the FBI did not receive resulted in excess charges totaling \$44,520. We

consider these costs to be unallowable because they are in excess of the quoted monthly lease rates.

During our invoice review, we also identified an additional \$1,040 in unallowable overbilled charges including pro rata and monthly lease charges, and glass repair costs. We identified a number of overbilled monthly lease charges above the quoted rate with one charge as high as \$153 more than the quoted rate. We previously identified overbilled costs in the *Maintenance Charges* section and identified additional overbilled costs in the *Monthly Rental Charges* section where we make our recommendation.

Further, during our invoice testing, the FBI did not have and EAN was unable to provide documentation to support \$3,766 in miscellaneous charges, such as vehicle registrations and renewals, and lease settlement costs. Prior to the issuance of the final report, EAN provided additional documentation supporting previously unsupported costs totaling \$1,921, resulting in remaining unsupported questioned costs totaling \$4,895. Additionally, we identified \$3,050 in other optional equipment on lease invoices that did not identify the equipment or whether the equipment had been approved by the FBI. We recommend the FBI remedy the remaining \$4,895 in unsupported miscellaneous costs and other optional equipment that EAN charged to the contract. As previously recommended in the *Invoice Review by the FBI* section, we recommend the FBI develop procedures to ensure all invoices are adequately reviewed, which includes a process to obtain supporting documentation and verify invoiced costs.

Monthly Rental Charges

We identified 20 instances where EAN charged the FBI incorrect rates for a rental vehicle, resulting in EAN overbilling and the FBI overpaying a total of \$188 on two invoices. The FBI's review of invoices did not identify the overpayments as well as the charges for vehicles that were not part of the negotiated car classes or other unsupported charges on the monthly invoice. This further demonstrates the FBI's inadequate invoice review. As discussed in the *Lease Invoice Charges* and *Maintenance Charges* sections we identified additional overbilled costs in our invoice testing. In total, we recommend the FBI remedy \$46,191 in unallowable overbilled costs that EAN charged to the contract.

EAN Administration Fees for Leased Vehicles

EAN charged and the FBI paid \$21,132 in unallowable administration fees.

The contract's Pricing and Fee Addendum included a list of approved administration fees EAN was allowed to charge under this contract. While performing our invoice review, we identified EAN administration fees for vehicle registrations, tolls, and traffic and parking citations for leased vehicles. These fees were not listed in the contract's Pricing and Fee Addendum and are considered unallowable. For tolls and the traffic and parking citations for leased vehicles

that we discussed earlier, EAN did not separate its fees from the toll cost or parking and citation cost. Therefore, we could not identify the total amount of administration fees EAN billed for tolls or traffic and parking citations for leased vehicles.

For administration fees EAN billed for leased vehicle registrations, renewals, and title transfers, EAN separately identified these fees in its invoices to the FBI. EAN was responsible for registering the leased vehicles, including vehicle renewals. According to the contract's Pricing and Fee Addendum, the initial and renewal registration fees, license fees, and taxes for leased vehicles should be billed to the FBI in the amount paid and no additional service fees or charges should be applied. However, EAN charged a \$20 administration fee for each leased vehicle registration renewal. We reviewed all EAN invoices from April 2015 through January 2018 and identified \$21,132 that EAN billed and the FBI paid in administration fees related to leased vehicle registrations, renewals, and title transfers, as well as tolls and citations. We question these costs as unallowable. For our invoice testing and expanded administration fee testing, we recommend the FBI remedy the \$21,132 in unallowable administration fees that EAN charged to the contract that did not comply with contract terms.

Inadequate Internal Controls over Fleet Cards

We found that the FBI did not provide adequate oversight over fleet cards used by TFOs to purchase fuel and preventative maintenance. EAN used a vendor for the fuel and maintenance of vehicles under the contract. The vendor provided fleet cards, which were issued to each TFO and used to pay for fuel and preventative maintenance services for the vehicles. The cards can be used at most gas stations nationwide and at approved maintenance facilities, such as Jiffy Lube. TFOs are required to enter the vehicle's mileage when purchasing fuel, which EAN uses to monitor vehicle maintenance requirements and determine the vehicle's intended sale date. However, we found vehicles with zero mileage entered when fuel was purchased or mileage that decreased or was inconsistent over time. EAN personnel stated that mileage entered by the service shops was generally more reliable than mileage entered by TFOs. However, as identified in the *Maintenance Charges* section, we identified problems with the mileage entered by service shops as well.

For the monthly invoices, the fleet card vendor collected data for each card transaction and invoiced EAN for the charges. EAN paid the vendor and then billed the FBI for the applicable fuel and maintenance charges. EAN billed and the FBI paid over \$12 million in fuel and maintenance purchases made on fleet cards between 2015 and 2017. The NVLP Program Guidance Manual stated that all vehicles under the program should be designed to operate using regular unleaded fuel. We examined the fuel and maintenance data and identified costs that appear to be other than regular unleaded fuel or maintenance as shown in Table 5.

Table 5
Other than Regular Unleaded
Fleet Card Purchases by Calendar Year

	2014	2015	2016	2017	Total ^a
Diesel	-	\$4,794	\$26,064	\$25,635	\$56,493
Super	423	152,593	131,698	107,153	391,867
Unleaded Plus	125	185,129	161,240	113,166	459,659
Fuel Other	-	18,886	16,455	13,593	48,934
Other	-	29,486	7,981	-	37,467
Total^a	\$548	\$390,887	\$343,438	\$259,547	\$994,420

Source: Fleet Card Vendor

^a Differences in total due to rounding.

FBI officials stated that the fuel and maintenance data was unreliable because the fuel type was reported by the vendor and was incorrect in the past. Officials from the fleet card vendor also confirmed that the fuel and maintenance data can contain miscoded transactions. Given the reliability problems, the FBI assumed that all transactions for fuel that were not regular unleaded were reporting errors by the vendors, but did not follow up on the transactions or request receipts from the TFOs to verify the invoiced costs. According to the NVLP Program Guidance Manual, TFOs are required to maintain receipts for purchases made with fuel cards. However, according to the FBI, they did not require TFOs to maintain any receipts.⁹ Because of the lack of documentation, we could not verify any of the fuel and maintenance costs EAN charged the FBI. For the fuel purchases identified as anything other than regular unleaded, the FBI provided no documentation to determine whether these costs were misreported or were in fact for fuel purchases not allowable under the NVLP guidance. In total, the FBI appears to have paid \$994,420 for fuel purchases not covered by the contract, including diesel, super, and super plus.¹⁰

The FBI does not have guidance to determine which TFOs require vehicles, and it relies on the task forces to identify their own needs. We performed an analysis of all 2015 vehicles to determine if any were under-utilized by identifying leased or rented vehicles that did not have any associated fuel purchases in 2015. We identified \$191,482 associated with 2015 leased or rented vehicle charges with no 2015 fuel purchases.¹¹

⁹ Although the fuel and maintenance data was not reliable, we had no other data or information available to conduct fuel and maintenance analysis.

¹⁰ We recognize a portion of this \$994,420 may include costs for allowable unleaded fuel.

¹¹ Our review was limited to the fuel data provided during our audit.

The COR explained that a number of general reasons could account for this including: (1) TFOs obtaining fuel at their local police depots, (2) incorrect fleet cards being issued to TFOs, or (3) old fleet cards issued to new TFOs. For each instance we identified, we requested the FBI coordinate with the task force involved to determine the reason there was no fuel purchased in 2015. The FBI stated it could not resolve many of the instances we identified because the transactions in question took place in 2015 and records were now unavailable, the task forces experienced turnover, or the task forces did not retain any documentation. Some task forces explained that vehicles were unused for an extended period of time due to TFO vacancies or the transition period between TFOs. These vehicles included rental vehicles that the FBI could have returned at any point without penalty, as there is no rental term requirement. In one instance, the rental vehicle went unused for 1 year while a TFO vacancy was being filled. In our judgment, rental vehicles should be returned if expected to be unused for a period of time, as a new vehicle can be rented as soon as a vacancy is filled. For leased vehicles, an assessment should be made regarding the cost of early return and the lease term remaining to determine the most cost effective approach.

We identified \$191,482 associated with 2015 leased or rented vehicle charges with no 2015 fuel purchases, meaning these vehicles may have sat idle for long periods.

For 2015 fuel purchases, we also identified \$21,547 in 2015 fuel purchases that were not associated with any leased or rented vehicle. We requested the FBI research each instance. In one instance, the FBI explained that the fleet card was issued to a task force for repairs for all its vehicles. The card was used by all TFOs in the task force, and it was not connected to a specific vehicle. This was not in compliance with the contract, which states that fleet cards must be tied to a vehicle by the Vehicle Identification Number (VIN) or lease ID.¹² Additionally, the FBI explained another fleet card was used to purchase fuel by a TFO who utilized a local police vehicle and not a vehicle procured under this contract. Again, this is not in compliance with the contract as the fuel program only supports vehicles under this contract. Additionally, in our invoice testing we identified \$1,250 in fuel transactions that were not tied to a complete lease ID.

Overall, we found that the FBI does not have adequate internal controls over its fleet cards and the purchases made on the cards, which has resulted in potentially underutilized vehicles, at a cost of nearly \$200,000 in 2015, as much as \$994,000 in premium fuel purchases that did not comply with the contract terms, and an additional \$22,797 in fuel costs that were not associated with a rental or leased vehicle under this contract. Although this contract is ending, GSA-leased vehicles utilize similar fleet cards, and these concerns are still applicable under the GSA contract. We recommend the FBI implement policies and procedures over

¹² A lease ID is the unique identifier tied to rented and leased vehicles and fleet cards.

fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.

Inadequate Contract Oversight and Quality Assurance

Contract Oversight

We identified non-compliance with various contract terms and conditions, further demonstrating the FBI's inadequate contract oversight. As previously discussed in the *Billings and Payments* section, the invoices do not contain sufficient information for the FBI to perform an adequate invoice review to verify that the charges are accurate and valid. The contract also required that certain information be included in the invoice or as attached documentation to the invoice. We found that EAN did not include all of the required information. For example, the invoices did not include contract line item numbers (CLIN) on the invoice. The contract required EAN to include the amount obligated per CLIN, the cumulative amounts billed to date by CLIN, and the amounts remaining following payment of the invoice. Additionally, EAN did not include the title or mailing address for the person to be notified in the event of a defective invoice.

The contract also required that EAN electronically report all citations received on vehicles leased or rented by the FBI within 96 hours or weekly. As discussed earlier in the Traffic and Parking Citations subsection, we could not verify that all FBI Program Managers were receiving the weekly summaries. Additionally, the contract required that invoices be submitted by EAN on the 10th of each month. According to both EAN and the FBI, EAN submitted the invoices on the 15th of each month.

The contract allowed for economic price adjustments based on the Consumer Price Index each option year. Prior to each option year, the FBI and EAN negotiated a percentage increase and calculated the rental rates for the next year through email. The contract required the FBI to include the approved rental rates in the contract modifications to exercise the option year. We found that the FBI issued contract modifications to exercise option years 1 through 4, but failed to include the approved rental rates that were negotiated through email in the contract modifications for these option years.

The contract also required EAN to have a web-based system that allows the FBI to order new and replacement vehicles, as well as audit and monitor its specific rental and leased-vehicle inventories. The system should provide up-to-the-minute inventory information, order status, and drop-off and pick-up information and confirmation. EAN does have a system for its rental vehicles which the FBI can access; however, the FBI does not have access to EAN's leased-vehicle system. The leased-vehicle system is an internal system that can only be accessed through EAN's network. Therefore, EAN did not meet this contract requirement.

Finally, during preliminary interviews on December 5, 2017, the FBI informed us that the pre-award and contract files were now located in Huntsville, Alabama where the new contracting officer assigned responsibility for this contract was located. However, the FBI did not modify the contract to reflect this change until April 4, 2018. It is our assessment, this created confusion among contracting personnel about who was responsible for the contract during that period.

Overall, these instances of non-compliance with contract requirements are indicative of the FBI's inadequate contract oversight, which, as described in the *Billing and Payments* section, resulted in non-compliance with contract terms and unallowable and unsupported costs being paid by the FBI. We recommend the FBI develop policies or procedures to ensure proper contract oversight, such as requiring a review to verify compliance with contract terms prior to each option year being exercised.

Quality Assurance

The FBI does not have a quality assurance surveillance plan and did not complete all of the quality assurance reviews required by the contract.

According to Federal Acquisition Regulation (FAR) 46.4, quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work, and agencies should ensure government contract quality assurance is conducted by or under the supervision of government personnel. We found and the FBI confirmed it does not have a quality

assurance surveillance plan. In addition, the FBI did not complete quarterly program reviews or semi-annual program management reviews as described in the contract. We recommend the FBI develop policy or procedures to ensure a quality assurance surveillance plan is developed for each contract to regularly monitor whether contract requirements are being met by the contractor.

We also found the COR did not complete semi-annual contractor performance evaluations as required by the contract, but did complete a Contractor Performance Assessment Report (CPAR) annually as required by FAR Subpart 42.15. We reviewed the CPARs completed by the FBI for the first 4 years of the contract. All of the CPARs were submitted into the Contractor Performance Assessment Report System (CPARS) between March 23, 2018 and April 3, 2018, after we requested this information in January 2018.¹³ Therefore, three CPARs assessing the contractor for periods between April 2014 and February 2017 were not submitted in a timely manner, which makes the CPARS less useful. We recommend the FBI

¹³ CPARS is the single government-wide information system for processing and collecting contractor performance information and is used in source selection evaluation by government personnel.

develop policy or procedures to ensure the Contracting Officer completes all required CPARs and submits them into the system in a timely manner.

Finally, the contract required the contractor to establish, maintain, and manage a quality control plan. According to the contract, it should include internal quality control reviews that are documented and provided to the COR. EAN does not have a formal quality control program, and it did not perform the required internal quality control reviews. EAN and FBI hold weekly conference calls to discuss service issues or concerns, and EAN provides routine reporting such as open rentals, vehicle switch outs, and roadside assistance used. While these quality control procedures are helpful, they do not satisfy the contract requirement for documented internal quality control reviews. We recommend the FBI develop policies and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities.

CONCLUSION AND RECOMMENDATIONS

We identified concerns related to the FBI's implementation of the NVLP, which this contract directly supports. First, the FBI's decision to transition all TFO vehicles to GSA-leased vehicles was based primarily on cost savings, and it appears the FBI did not consider the needs of the task forces or the potential effect the transition would have on task force operations and TFO safety. The FBI also failed to properly approve and justify TFOs use of government vehicles for routine home-to-work transportation, which affected costs incurred under the contract with EAN.

Although the FBI cited the potential for cost savings as the basis for switching to GSA leased vehicles, it demonstrated a consistent disregard for contract and program requirements that would have resulted in lower payments under the existing contract. We identified deficiencies with the FBI's administration, oversight, and monitoring of the contract with EAN. We found that the FBI did not properly review the invoices submitted by EAN to verify that the costs were valid and accurate. This resulted in the FBI paying for: (1) unallowable costs related to vehicle damages, overbillings, and EAN administration fees; (2) unsupported costs related to citations, vehicle damages, monthly lease charges, and optional equipment; and (3) unverified tolls and associated fees, express lane and excessive tolls and fees. As a result, our audit identified \$540,712 in dollar-related findings. The FBI's inadequate internal controls over fleet cards used to purchase fuel and maintenance resulted in nearly \$1 million in purchases that appear to be for premium and other fuel purchases that are not permitted under the NVLP. Finally, the FBI's lack of contract oversight resulted in various non-compliance with contract terms, a lack of quality assurance, and CPARs that were not submitted to the system timely.

We recommend that the FBI:

1. Assess the different needs of TFOs and determine appropriate vehicle options, considering each task force's operations, TFO safety, cost, and other relevant factors.
2. Submit an update to its HTW Plan to the Department or issue clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it relates to the HTW Plan.
3. Develop and implement a policy for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours.
4. Provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation.
5. Develop procedures to ensure all invoices are adequately reviewed, which includes a process to obtain supporting documentation and verify invoiced costs.

6. Remedy \$200,529 in unsupported parking and traffic violations and associated administration fees, by reviewing each citation and providing justification for the payment of the citations or seeking reimbursement by the TFO.
7. Develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility in the NVLP program for repeat offenders of traffic laws.
8. Implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or commuting.
9. Implement policy regarding the use of express tolls and transponders.
10. Remedy \$257,031 in unallowable damage costs and fees that EAN charged to the contract that did not comply with contract terms.
11. Remedy \$9,013 in unsupported costs related to third party damages.
12. Develop procedures for TFOs to log vehicle mileage on a routine basis to ensure proper billing for maintenance costs.
13. Provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.
14. Remedy the remaining \$4,895 in unsupported miscellaneous costs and other optional equipment that EAN charged to the contract.¹⁴
15. Remedy \$46,191 in unallowable overbilled costs that EAN charged to the contract.
16. Remedy the \$21,132 in unallowable administration fees that EAN charged to the contract that did not comply with contract terms.
17. Implement policies and procedures over fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.
18. Develop policies or procedures to ensure proper contract oversight, such as requiring a review to verify compliance with contract terms prior to each option year being exercised.

¹⁴ As discussed previously, EAN provided additional documentation supporting previously unsupported costs totaling \$1,921. Based on the documentation, in its response to a draft of this report (see Appendix 4), EAN agreed to remedy the remaining \$4,895 upon agreement with the FBI. We found the documentation to be sufficient to remedy the questioned costs, as explained more fully in Appendix 5.

19. Develop policy or procedures to ensure a quality assurance surveillance plan is developed for each contract to regularly monitor whether contract requirements are being met by the contractor.
20. Develop policy or procedures to ensure the Contracting Officer completes all required CPARs and submits them into the system in a timely manner.
21. Develop policies and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities.

STATEMENT ON INTERNAL CONTROLS

As required by the *Government Auditing Standards*, we tested, as appropriate, internal controls significant within the context of our audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of the FBI and EAN's internal controls was *not* made for the purpose of providing assurance on its internal control structure as a whole. FBI and EAN management is responsible for the establishment and maintenance of internal controls.

As noted in the *Audit Results* section of this report, we identified deficiencies in the FBI's internal controls that are significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affect the FBI's ability to properly oversee and monitor contracts. This determination was based on several concerns identified including:

- unauthorized home-to-work transportation,
- inadequate invoice review,
- unallowable and unsupported costs paid by the FBI,
- inadequate controls over fleet cards,
- inadequate contract oversight, and
- inadequate quality assurance.

Because we are not expressing an opinion on the FBI's internal control structure as a whole, this statement is intended solely for the information and use of the FBI. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards* we tested, as appropriate given our audit scope and objectives, selected transactions, records, procedures, and practices, to obtain reasonable assurance that the FBI and EAN's management complied with federal laws and regulations for which noncompliance, in our judgment, could have a material effect on the results of our audit. FBI and EAN's management is responsible for ensuring compliance with applicable federal laws and regulations. In planning our audit, we identified the following laws and regulations that concerned the operations of the auditees and that were significant within the context of the audit objectives:

- 5 C.F.R. §1315.9
- 31 U.S.C. §1344
- Federal Acquisition Regulations (FAR)
 - FAR 46.4 Government Contract Quality Assurance
 - FAR 42.15 Contractor Performance Information
 - FAR 32.905 Payment Documentation and Process
- Federal Management Regulation, Part 102-34 Motor Vehicle Management

Our audit included examining, on a test basis, the FBI and EAN's compliance with the aforementioned laws and regulations that could have a material effect on the FBI and EAN's operations. We interviewed FBI and EAN personnel, assessed internal control procedures, and examined procedural practice and accounting records. As noted in the *Audit Results* section of this report, we found the FBI did not comply with FAR 46.4 when completing CPARs.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to assess the FBI's administration of the contract, and EAN's performance and compliance with the terms, conditions, laws, and regulations applicable to this contract in the areas of: (1) contractor performance; (2) billings and payments; and (3) contract management, oversight, and monitoring.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This was an audit of FBI contract number DJF-14-1200-V-0002657, awarded to EAN for long and short-term rented and leased vehicles, as well as fuel and maintenance. Our audit generally covered, but was not limited to February 2014 through January 2018.

To assess the FBI's decision to switch to GSA vehicles, we interviewed FBI personnel responsible for contract management and oversight at FBI headquarters and reviewed two cost analyses conducted by the FBI. We also reviewed pre-award contract documentation including the Acquisition Plan, Source Selection Plan, and Market Research Report. To determine the impact the switch to GSA vehicles would have on task forces we conducted preliminary interviews of TFOs at FBI's field offices in Denver and Birmingham. We then conducted a 7 question survey of 496 Safe Streets TFOs and received 223 responses.

To assess the FBI's compliance with federal regulations and the FBI's Home-to-Work Plan we interviewed TFOs, FBI personnel, and reviewed FBI documentation to support their home-to-work authorizations.

During our audit, we obtained information from EAN's systems ARMS, EDGE, PeopleSoft, and Auto-Integrate. We did not test the reliability of EAN's systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources. During our invoice review, we traced a sample of invoice to source documentation and did not identify any significant errors; therefore, we believe the invoices are reliable. We also obtained fuel and maintenance information from fleet card vendor's online system. As noted in our report, both EAN and the fleet card vendor stated the data provided from this system was not reliable. We could not verify the data to source documents because no receipts were retained by the FBI. Despite the reliability concerns, we had no other data or information available to conduct our analysis related to fuel

and maintenance purchases. We note the exception related to reliability of the fuel and maintenance data in the report.

Invoice Review

EAN submitted invoices for monthly rental charges, other rental charges, recurring monthly lease charges, non-recurring lease charges, and fuel and maintenance charges each month for each applicable task force. Using professional judgment, we selected a non-statistical sample of 20 invoices totaling \$395,502. We selected invoices from each contract year, and included both high and low dollar invoices. We reviewed each of the selected invoices for compliance with contract terms and applicable laws and regulations. We identified non-compliances related to citations, tolls, damages, and administration fees during our invoice review. Therefore, we expanded our testing to include all costs charged in those categories. We reviewed supporting documentation related to citations, tolls, and damages to assess the compliance with contract terms and federal regulations.

Contract Management and Oversight

To determine if vehicles were being properly utilized we compared the lease IDs tied to fuel and maintenance transactions in 2015 to rental and lease monthly invoice charges in 2015. A lease ID is the unique identifier tied to rented and leased vehicles and fleet cards. The lease ID tied to a vehicle should match the lease ID on the fleet card used to purchase fuel and maintenance for that vehicle. We identified lease IDs that had fuel transactions but did not have rental or lease monthly charges in the year. We also identified lease IDs that had rental or lease monthly charges but did not have fuel transactions in the year.

To assess the FBI's contract management, oversight, and monitoring we reviewed the related contract requirements, COR and Contracting Officer's authority and training documentation. We also reviewed quality assurance procedures performed by the FBI and EAN, and Contractor Performance Assessment Reports completed by the FBI.

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Pages</u>
Questioned Costs¹⁵:		
Unallowable EAN Costs		
Vehicle Damages	257,031	19
Overbilled Costs	46,191	21-23
EAN Administration Fees	21,132	23
Total Unallowable EAN Costs	\$324,354	
Unsupported EAN Costs		
Misc. Lease Charges and Optional Equipment	4,895	22
Total Unsupported EAN Costs	\$4,895	
Unsupported FBI Costs		
Citations	200,529	15
Vehicle Damages	9,013	20
Total Unsupported FBI Costs	\$209,542	
Net Questioned Costs	<u>\$538,791</u>	

¹⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

FEDERAL BUREAU OF INVESTIGATION'S
RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice
Federal Bureau of Investigation

Washington, D. C. 20535-0001

February 21, 2019

The Honorable Michael E. Horowitz
Inspector General
Office of the Inspector General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

Dear Mr. Horowitz:

The Federal Bureau of Investigation (FBI) appreciates the opportunity to review and respond to your office's report entitled, *Audit of the Federal Bureau of Investigation's Oversight and Administration of the National Vehicle Lease Program and its Contract with EAN Holdings, LLC*.

We agree that it is important to assess the vehicle needs of the task force officers (TFOs) and work with the Department to update or clarify the Home-to-Work Plan. Additionally, it is important to develop procedures to review citations received by TFOs to ensure the citations are appropriately addressed. In that regard, we concur with your twenty-one recommendations for the FBI.

Should you have any questions, feel free to contact me. We greatly appreciate the professionalism of your audit staff throughout this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Seiler".

Thomas G. Seiler
Acting Section Chief
External Audit and Compliance Section
Inspection Division

Enclosure

**The Federal Bureau of Investigation's (FBI) Response to the
Office of the Inspector General's Audit of the FBI's Oversight and Administration of the
National Vehicle Lease Program and Its Contract with EAN Holdings, LLC**

Recommendation #1: "The OIG recommends the FBI assess the different needs of TFOs and determine appropriate vehicle options, considering each task force's operations, TFO safety, cost, and other relevant factors."

FBI Response to Recommendation #1: Concur. The FBI assesses the different needs of the TFO at the field office level due to the uniqueness of each TF and geographic region. The FBI will offer guidance to each TF instructing personnel to consider various factors to meet the needs of the TF.

Recommendation #2: "The OIG recommends the FBI submit an update to its HTW Plan to the Department or issue clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it relates to the HTW Plan."

FBI Response to Recommendation #2: Concur. The FBI will submit an update to its HTW Plan to the Department or issue clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it relates to the HTW Plan.

Recommendation #3: "The OIG recommends the FBI develop and implement a policy for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours."

FBI Response to Recommendation #3: Concur. The FBI will develop and implement a policy or process for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours.

Recommendation #4: "The OIG recommends the FBI provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation."

FBI Response to Recommendation #4: Concur. The FBI will provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation.

Recommendation #5: "The OIG recommends the FBI develop procedures to ensure all invoices are adequately reviewed, which includes a process to obtain supporting documentation and verify invoiced costs."

FBI Response to Recommendation #5: Concur. The FBI will develop procedures to ensure invoices are adequately reviewed.

Recommendation #6: “The OIG recommends the FBI remedy \$200,529 in unsupported parking and traffic violations and associated administration fees, by reviewing each citation and providing justification for the payment of the citations or seeking reimbursement by the TFO.”

FBI Response to Recommendation #6: Concur. The FBI will evaluate the appropriate next steps for remedying the unsupported parking and traffic violations and associated administration fees.

Recommendation #7: “The OIG recommends the FBI develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility in the NVLP program for repeat offenders of traffic laws.”

FBI Response to Recommendation #7: Concur. The FBI will develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility for repeat offenders of traffic laws. Additionally, the FBI is currently developing TFO training to include vehicle use.

Recommendation #8: “The OIG recommends the FBI implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or commuting.”

FBI Response to Recommendation #8: Concur. The FBI will implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or commuting. Additionally, the FBI is currently developing TFO training to include vehicle use.

Recommendation #9: “The OIG recommends the FBI implement policy regarding the use of express tolls and transponders.”

FBI Response to Recommendation #9: Concur. The FBI will implement policy regarding the use of express tolls and transponders. Additionally, the FBI is currently developing TFO training to include vehicle use.

Recommendation #10: “The OIG recommends the FBI remedy \$257,031 in unallowable damage costs and fees that EAN charged to the contract that did not comply with contract terms.”

FBI Response to Recommendation #10: Concur. The FBI is currently coordinating with DOJ and EAN to remedy the unallowable damage costs and fees charged to the contract.

Recommendation #11: “The OIG recommends the FBI remedy \$9,013 in unsupported costs related to third party damages.”

FBI Response to Recommendation #11: Concur. The FBI will evaluate the appropriate next steps for remedying the unsupported costs related to third party damages.

Recommendation #12: “The OIG recommends the FBI develop procedures for TFOs to log vehicle mileage on a routine basis to ensure proper billing for maintenance costs.”

FBI Response to Recommendation #12: Concur. The FBI will develop procedures for TFOs to log vehicle mileage on a routine basis.

Recommendation #13: “The OIG recommends the FBI provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.”

FBI Response to Recommendation #13: Concur. The FBI will provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.

Recommendation #14: “The OIG recommends the FBI remedy \$6,816 in unsupported miscellaneous costs and other optional equipment that EAN charged to the contract.”

FBI Response to Recommendation #14: Concur. The FBI will evaluate the appropriate next steps for remedying the unsupported miscellaneous costs and other optional equipment that EAN charged to the contract.

Recommendation #15: “The OIG recommends the FBI remedy \$46,191 in unallowable overbilled costs that EAN charged to the contract.”

FBI Response to Recommendation #15: Concur. The FBI will evaluate the appropriate next steps for remedying the unallowable overbilled costs that EAN charged to the contract.

Recommendation #16: “The OIG recommends the FBI remedy \$21,132 in unallowable administration fees that EAN charged to the contract that did not comply with contract terms.”

FBI Response to Recommendation #16: Concur. The FBI will evaluate the appropriate next steps for remedying the unallowable administration fees that EAN charged to the contract.

Recommendation #17: “The OIG recommends the FBI implement policies and procedures over fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.

FBI Response to Recommendation #17: Concur. The FBI will implement policies and procedures over fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.

Recommendation #18: “The OIG recommends the FBI develop policies or procedures to ensure proper contract oversight, such as requiring a review to verify compliance with contract terms prior to each option year being exercised.”

FBI Response to Recommendation #18: Concur. The FBI will develop policies or procedures to ensure proper contract oversight.

Recommendation #19: “The OIG recommends the FBI develop policy or procedures to ensure a quality assurance surveillance plan is developed for each contract to regularly monitor whether contract requirements are being met by the contractor.”

FBI Response to Recommendation #19: Concur. The FBI will develop policy or procedures to ensure a quality assurance surveillance plan is developed for contracts, as applicable.

Recommendation #20: “The OIG recommends the FBI develop policy or procedures to ensure the Contracting Officer completes all required CPARs and submit them into the system in a timely manner.”

FBI Response to Recommendation #20: Concur. The FBI is currently updating its policies and procedures to ensure Contracting Officers complete required CPARs and submit them into the system in a timely manner.

Recommendation #21: “The OIG recommends the FBI develop policy and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities.”

FBI Response to Recommendation #21: Concur. The FBI will develop policy and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities, as applicable.

EAN HOLDINGS, LLC'S RESPONSE TO THE DRAFT AUDIT REPORT

February 13, 2019

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln, Suite 1500
Denver, CO 80203

ENTERPRISE HOLDINGS

Enterprise Holdings
600 Corporate Park Drive
St. Louis, MO 63105
314-512-5000
enterpriseholdings.com

Dear Mr. Sheeren:

As requested by your letter dated January 30, 2019, provided below are the official responses which correspond to the recommendations set forth in the draft audit report (the "Report") of the FBI's National Vehicle Lease Program and Contract dated February 5, 2014 (the "Contract"), as the same relates to EAN Holdings, LLC ("EAN" or "we") performance as Contractor under the Contract.

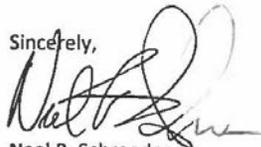
1. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
2. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
3. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
4. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
5. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
6. We believe the FBI is primarily responsible to address this recommendation. To the extent additional information is required, EAN will work with the FBI to provide such information.
7. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
8. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
9. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
10. Disagree. In addition to being the normal business practice of EAN and the rental industry to collect for these types of damages, the \$250,930 in weather and \$1,234 in other damages billed by EAN and paid by the FBI were allowable under the Contract. In the Contract, the Insurance and Liability section states: "The Government will be responsible for damage to: Leased/Rented vehicles where such damage is not beyond economical repair." The contract goes on to read that the Contractor (EAN) "shall be responsible for: Normal wear and tear." The damage claims noted by the OIG were not included in the definition of normal wear and tear, and are therefore the responsibility of the FBI. Such charges were appropriately billed and paid. Although the definition of Normal Wear and Tear within the Contract does make reference to the FBI being responsible for damage attributable to collision only, the definition of "collision" is not included in the Contract. The word "collision" is used in its ordinary commonly understood sense and refers to damage resulting from any violent encounter or forceful striking of two objects. This phrase is not limited only to violent or forceful encounters between two automobiles

and has been supported through a prior court ruling. Case law decisions support this interpretation and underscore the reason the Contract reads as it currently does.

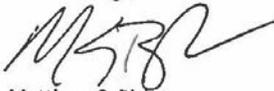
The \$1,950 in admin fees and \$2,917 in diminishment of value fees were reasonable and customary costs of those claims and were appropriately paid by the FBI. We therefore do not believe any recovery from EAN is appropriate in regard to the corresponding recommendation of remedy in the Report.

11. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
12. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
13. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
14. Disagree, in part; Agree in part. Supporting documentation was provided to the OIG for \$1,921 of the total \$6,816 noted in the Report. EAN will immediately remedy the remaining \$4,895 upon agreement with the FBI.
15. Agree. EAN will immediately work with the FBI to reach an equitable settlement to address any such overbilled costs and have eliminated the assessment of any such costs since the Report.
16. Agree. EAN will immediately work with the FBI to reach an equitable settlement to address any such administrative fees and have eliminated the assessment of any such fees since the Report.
17. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
18. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
19. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
20. We believe the FBI is responsible to address this recommendation and we are not in a position to agree or disagree.
21. Agree. EAN will immediately work with the FBI to develop a formalized quality assurance surveillance plan for the remaining life of the Contract or any extension or new contract that may be issued.

Sincerely,



Neal R. Schroeder
Senior Vice President
Internal Audit
EAN Holdings, LLC



Matthew S. Bisbee
Internal Audit Director
EAN Holdings, LLC

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The OIG provided a draft of this audit report to the Federal Bureau of Investigation (FBI) and EAN Holdings, Inc. (EAN). The FBI's response is incorporated in Appendix 3 and EAN's response is incorporated in Appendix 4 of this final report. Of the 21 recommendations, 5 recommendations were applicable to EAN. For these five recommendations, EAN agreed with three recommendations, partially agreed with one recommendation, and disagreed with one recommendation. We describe and, where appropriate, reply to these responses in the applicable recommendations below. In response to our audit report, the FBI concurred with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for the FBI:

- 1. Assess the different needs of TFOs and determine appropriate vehicle options, considering each task force's operations, TFO safety, cost, and other relevant factors.**

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it assesses the different needs of the TFO at the field office level due to the uniqueness of each task force and geographic region. However, it has not provided any evidence to demonstrate it assesses the needs specific to TFOs in varying task forces. The FBI also stated it will offer guidance to each task force instructing personnel to consider various factors to meet the needs of the task force.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence that FBI has: (1) assessed the different needs of the TFOs and is providing adequate procurement options to task forces; and (2) provided guidance to task forces related to procuring vehicles.

- 2. Submit an update to its HTW Plan to the Department or issue clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it related to the HTW Plan.**

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will submit an update to its HTW Plan to the Department or issue a clear policy if its intention is to have TFOs be subject to the same provisions as Special Agents as it relates to the HTW Plan.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of an updated FBI HTW Plan or FBI policy detailing how TFOs are covered under the current HTW Plan.

3. Develop and implement a policy for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop and implement a policy or process for assessing the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy used to assess the capacity of TFOs needed to respond to emergency and other investigative demands during off-duty hours.

4. Provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will provide proper justification and approval for TFOs to use government vehicles for home-to-work transportation.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of proper justification and approval for TFOs to use government vehicles for home-to-work transportation.

5. Develop procedures to ensure all invoices are adequately reviewed, which includes a process to obtain supporting documentation and verify invoiced costs.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop procedures to ensure invoices are adequately reviewed.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the procedures to ensure adequate invoice review.

- 6. Remedy \$200,529 in unsupported parking and traffic violations and associated administration fees, by reviewing each citation and providing justification for the payment of the citations or seeking reimbursement by the TFO.**

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will evaluate the appropriate next steps for remedying the unsupported parking and traffic violations and associated administration fees.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence that the unsupported parking and traffic violations have been properly remedied.

- 7. Develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility in the NVLP program for repeat offenders of traffic laws.**

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop policies and procedures to review and appropriately pay or require TFO reimbursement for citations received by TFOs and to evaluate TFO eligibility for repeat offenders of traffic laws. Additionally, the FBI stated it is currently developing TFO training to include vehicle use.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policies and procedures to review citations received by TFOs and TFOs eligibility in the NVLP Program and the curriculum for TFO training.

- 8. Implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or commuting.**

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will implement policies and procedures to review tolls incurred by TFOs to determine the appropriateness of tolls for official business or commuting. Additionally, the FBI stated it is currently developing TFO training to include vehicle use.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy used to review tolls and the curriculum for TFO training.

9. Implement policy regarding the use of express tolls and transponders.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will implement policy regarding the use of express tolls and transponders. Additionally, the FBI stated it is currently developing TFO training to include vehicle use.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy regarding the use of express tolls and transponders and the curriculum for TFO training.

10. Remedy \$257,031 in unallowable damage costs and fees that EAN charged to the contract that did not comply with contract terms.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it is currently coordinating with DOJ and EAN to remedy the unallowable damage costs and fees charged to the contract.

EAN disagreed with our recommendation. EAN stated in its response that the costs are a normal business practice of EAN and the rental industry and are allowable under the contract. First, EAN stated that the damage claims noted by the OIG are not included in the contract definition of normal wear and tear, and are therefore the responsibility of the FBI. EAN also stated that the contract's definition of normal wear and tear makes the FBI being responsible for damage attributable to collisions. EAN contends that the word "collision" refers to damage resulting from any violent encounter or forceful striking of two objects. According to EAN, this term is not limited to violent or forceful encounters between two vehicles and has been supported through prior court ruling. The contract does not define a collision to include damage resulting from hail, and the rest of the contract does not support that interpretation.

To support this argument, EAN refers to the Insurance and Liability section of the contract. This section of the contract states that the Government will be responsible for damage to: leased/rented vehicles where such damage is not beyond economical repair. EAN argues that hail damage would fall in that category. However, the indemnification provision of the contract states that property damage or loss that occurs through no fault of the contractor or the government shall be the responsibility of the party holding title to or having leased the property. Weather related incidents such as hail are not the fault of the contractor or the government and therefore under this provision of the

contract, hail damage is the responsibility of EAN because EAN holds the title and leased the property to the FBI.

Finally, EAN stated in its response that administration fees and diminishment of value fees are reasonable and customary costs and were appropriately paid by the FBI. However, EANs administration fees and diminishment of value fees were not included in the Pricing and Fee Addendum, and therefore, are not allowable under the contract.

This recommendation can be closed when we receive evidence that the unallowable damage costs and fees have been properly remedied.

11. Remedy \$9,013 in unsupported costs related to third party damages.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will evaluate the appropriate next steps for remedying the unsupported costs related to third party damages.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence that the unsupported third party damage costs have been properly remedied.

12. Develop procedures for TFOs to log vehicle mileage on a routine basis to ensure proper billing for maintenance costs.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop procedures for TFOs to log mileage on a routine basis.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the procedure for logging TFO mileage.

13. Provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will provide clear guidance to TFOs on proper procedures to obtain maintenance on leased or rental vehicles.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the guidance provided to TFOs related to maintenance of leased or rental vehicles.

14. Remedy the remaining \$4,895 in unsupported miscellaneous costs and other optional equipment that EAN charged to the contract.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will evaluate the appropriate next steps for remedying the unsupported miscellaneous costs and other optional equipment that EAN charged to the contract.

EAN disagreed with our recommendation in part. EAN provided documentation to support \$1,921 of the unsupported miscellaneous costs, and we consider these costs adequately remedied. FBI agreed the costs were adequately remedied. EAN agreed with our recommendation for the remaining \$4,895 of the unsupported miscellaneous costs and other optional equipment, and will immediately remedy the remaining unsupported costs upon agreement with the FBI.

This recommendation can be closed when we receive evidence that the remaining balance of \$4,895 in unsupported miscellaneous costs and other optional equipment are properly remedied.

15. Remedy \$46,191 in unallowable overbilled costs that EAN charged to the contract.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will evaluate the appropriate next steps for remedying the unallowable overbilled costs that EAN charged to the contract.

EAN agreed with our recommendation and will immediately work with the FBI to reach an equitable settlement to address any such overbilled costs and have eliminated the assessment of any such costs.

This recommendation can be closed when we receive evidence that the unallowable overbilled costs have been properly remedied.

16. Remedy the \$21,132 in unallowable administration fees that EAN charged to the contract that did not comply with contract terms.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will evaluate the appropriate next steps for remedying the unallowable administration fees that EAN charged to the contract.

EAN agreed with our recommendation and will immediately work with the FBI to reach an equitable settlement to address any such administrative fees and have eliminated the assessment of any such fees.

This recommendation can be closed when we receive evidence that the unallowable administration fees have been properly remedied.

17. Implement policies and procedures over fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are

properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will implement policies and procedures over fleet cards to ensure each fleet card is associated with an individual vehicle, the fleet cards are properly distributed to the correct personnel, and the purchases made on the cards are reviewed to identify under-utilized vehicles and unallowable purchases.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy related to fleet card management and oversight.

18. Develop policies or procedures to ensure proper contract oversight, such as requiring a review to verify compliance with contract terms prior to each option year being exercised.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop policies and procedures to ensure proper contract oversight, such as requiring a review to verify compliance with contract terms prior to each option year being exercised.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy or procedures to ensure proper contract oversight.

19. Develop policy or procedures to ensure a quality assurance surveillance plan is developed for each contract to regularly monitor whether contract requirements are being met by the contractor.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop policy or procedures to ensure a quality assurance surveillance plan is developed for contracts, as applicable.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy or procedure to ensure a quality assurance surveillance plan is developed.

20. Develop policy or procedures to ensure the Contracting Officer completes all required CPARS and submits them into the system in a timely manner.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it is currently updating its policies and procedures to ensure Contracting Officers complete required CPARs and submit them into the system in a timely manner.

EAN stated in its response that it believed the FBI was responsible for this recommendation and it was not in a position to agree or disagree.

This recommendation can be closed when we receive evidence of the policy or procedure that ensures Contracting Officers complete and submit CPARs in a timely manner.

21. Develop policies and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities.

Resolved. The FBI concurred with our recommendation. The FBI stated in its response it will develop policy and procedures to ensure contractors establish a quality control program and complete quality assurance responsibilities.

EAN agreed with our recommendation and will immediately work with the FBI to develop a formalized quality assurance surveillance plan for the remaining life of the contract or any extension or new contract that may be issued.

This recommendation can be closed when we receive evidence of the policy or procedure to ensure contractors establish a quality control program and complete quality assurance responsibilities.



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