PERFORMANCE AUDIT

DEPARTMENT OF PUBLIC SAFETY

ADMINISTRATION BUREAU AND OFFICE OF THE DIRECTOR

Report to the Arizona Legislature
By the Auditor General
September 1991
91-11

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

September 26, 1991

Members of the Arizona Legislature

The Honorable Fife Symington, Governor

Colonel F. J. "Rick" Ayars, Director
Department of Public Safety

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Department of Public Safety, Administration Bureau and Office of the Director. This report is in response to a June 14, 1989, resolution of the Joint Legislative Oversight Committee and was conducted as a part of the Sunset Review set forth in Arizona Revised Statutes §§41-2351 through 41-2379.

This report is the last in a series of four reports issued on the Department of Public Safety. This report addresses several issues relating to DPS's management of its vehicle fleet. We found DPS should: revoke vehicle take-home privileges for at least 250 employees; eliminate at least 211 unnecessary vehicles from its fleet; improve its compliance regarding the marking of 481 of its vehicles; and install a computerized system to improve controls over fuel. We also found that DPS needs to revise its process for allocating Criminal Justice Enhancement Funds to ensure objectively and fairness.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on September 27, 1991.

Sincerely,

Douglas R. Norton

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Auditor General

DRN:lmn

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SUMMARY

The Office of the Auditor General has conducted a performance audit of the Arizona Department of Public Safety (DPS), Administration Bureau and Office of the Director, pursuant to a June 14, 1989, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

This audit reviewed the functions performed by the Administration Bureau and the Office of the Director. The Administration Bureau is responsible for providing centralized services including human resources, basic officer and advanced training, policy development, vehicle and facility maintenance, and financial management. The Bureau is comprised of six divisions: Management Services, Logistics, Advanced Training, Facilities Management, Arizona Law Enforcement Training Academy, and Finance. The Office of the Director provides management support, executive security, and fiscal management. For fiscal year 1991-92, the Bureau and Office of the Director are authorized 211.3 full-time employees (FTEs) and a budget of $17,467,500.

DPS Should Review Its Vehicle Take-home Policy For All Employees. In Addition, DPS Should Eliminate Unnecessary Vehicles From It Fleet. **(see pages 5 through 14)**

DPS philosophy provides for every sworn officer and certain civilians to have a take-home vehicle, even if the officer's job is administrative. Our analysis found 250 employees who did not need take-home vehicles because they rarely used their vehicles for job-related purposes. Rather, their vehicles, which are purchased, maintained, and fueled by DPS, and insured by the State, are used largely for commuting to work. We found that for 217 of these vehicles, commuting miles represented an average of 53 percent of the total miles driven. Some vehicles also showed very low work miles, 53 vehicles were driven less than 200 work-related miles per month. DPS's justification for some of its take-home vehicles is that sworn officers are on 24-hour emergency call; however, 115 of the 206

employees we interviewed estimated that they had been called out only once per month or less and some did not remember being called out to respond to an emergency.

In addition to eliminating take-home privileges for many employees, DPS should also eliminate 211 vehicles from its fleet.[1] Currently, DPS owns a fleet of 1,670 vehicles[2] for use by its 1,617 employees. Our examination showed that the Department could eliminate 87 vehicles completely because they are not needed for job-related functions. As an example, there are 46 vehicles assigned to pilots and paramedics within the Aviation Division who have virtually no job-related use for a vehicle, as their primary responsibilities involve aircraft missions. Another 124 vehicles could be eliminated by increased pooling in certain areas within the Department. Furthermore, DPS should consider purchasing smaller, less costly, and more fuel-efficient vehicles for some purposes.

DPS Vehicles Are Inappropriately Marked **(see pages 15 through 19)**

DPS has 481 vehicles which should be marked or marked more clearly. Specifically, many of the 171 unmarked, non-undercover vehicles may not need to be unmarked, because staff assigned such vehicles seem to have little need for an unmarked car. Some of these vehicles are used for travelling to teaching assignments, court appearances, and meetings with other law enforcement agencies and groups. According to the Director's office, some are unmarked because DPS and other law enforcement agencies have historically provided unmarked cars to command staff (Lieutenants and above). This practice, however, does not seem to be provided for by law. In addition, 310 administrative vehicles are inadequately marked. These vehicles either have no markings on the vehicle body, or tinted windows reduce the visibility of identifying decals attached to the windows.

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(1) Some of the 211 vehicles which should be eliminated are the same vehicles identified in our analysis of the 250 vehicles which should have take-home status eliminated.

(2) DPS's fleet consists of 1,216 cars, 298 trucks, 66 motorcycles, and 90 specialty vehicles and equipment such as trailers, snowmobiles, forklifts, and all-terrain vehicles.

DPS should begin complying with State laws which require specific markings be placed on each side of the body of State-owned vehicles. DPS could request exemption for specific vehicles by applying annually to the Governor (A.R.S. §28-1443). Over recent years, DPS has not sought an exemption as officials believed a 1987 letter from a former Governor delegated this decision to the Department. However, under current law, such a decision can not be delegated.

The Department Should Revise Its Process for Allocating Criminal Justice Enhancement Funds to Ensure Objectivity and Fairness **(see pages 21 through 26)**

DPS should take steps to ensure that a fair and objective system exists for distributing Criminal Justice Enhancement Funds (CJEF). DPS allocates CJEF funds it receives to itself and other State and local law enforcement authorities for statutorily defined purposes. During fiscal year 1990-91, DPS received approximately $1.7 million for distribution.

However, DPS's current system for allocating this money does not appear to be free of bias, and creates, at a minimum, the appearance of a less than objective administration of these funds. Some DPS projects which have been funded appear to be only indirectly related to the purposes outlined in statute for the use of CJEF monies. As an example, DPS recently awarded itself $250,000 for the purchase of mobile digital terminals (MDT) and related equipment for Highway Patrol vehicles. DPS stated the purpose of the project was to "reduce street crime," which is one of the statutorily mandated uses of CJEF funds. The Highway Patrol, however, is primarily involved in traffic enforcement and accident investigation, and we could find no justification in the project file as to how the MDTs were to be used to reduce street crime. Furthermore, while DPS funded its MDT project, it awarded other law enforcement agencies, including the South Tucson Police Department and Yavapai County Sheriff, less than requested for their projects. Examples of projects not funded included patrol and undercover vehicles and overtime pay for officers, projects appearing to be more directly related to the statutory goals for use of CJEF money than the DPS MDT project.

Several possibilities exist for improving the allocation process, both in practice and appearance. One such alternative would be for DPS to use a panel to review requests for CJEF funding.

DPS Needs Better Control Over Vehicle Fuel (see pages 27 through 30)

DPS's current fuel tracking system does not provide for adequate record keeping and reporting of fuel dispensed from its pumps. The current system is error-prone and results in unreliable management information. Installing a computerized system at an estimated cost of approximately $46,000 to $276,000 (depending on the number of fuel sites automated) would increase control over fuel use, improve record keeping, and provide more accurate information for management decisions.

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INTRODUCTION AND BACKGROUND

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Background

The Department of Public Safety was established on July 1, 1969, to consolidate the functions and responsibilities of the Arizona Highway Patrol, the Enforcement Division of the Department of Liquor Licenses and Control, and the Narcotics Division of the Arizona Department of Law. Currently, DPS is organized into five Bureaus: Criminal Investigation, Highway Patrol, Administration, Telecommunications, and Criminal Justice Support. The Department employs 1,617 full-time employees (FTEs) and has an annual budget of approximately $87.9 million.

Administration Bureau Provides Vehicles, Training, And Other Administrative Support To Bureaus

The Administration Bureau is responsible for providing centralized services which include supplies, human resources, basic officer training, advanced training, legal assistance, policy development and research, maintenance of vehicles and facilities, building security, and financial management. Administered by the Assistant Director for Administration, the Bureau is composed of six divisions: Management Services, Logistics, Advanced Training, Facilities Management, Arizona Law Enforcement Training Academy, and Finance. The staffing levels and responsibilities of each division are as follows:

- Management Services is authorized 36 FTEs. The Division includes three sections. The Human Resources Section is responsible for personnel services including the hiring of both sworn and civilian personnel, administering the benefits program, and maintaining personnel records. The Information Analysis Section prepares numerous publications which include Department policies and procedures, as well as manuals, handbooks, information bulletins, directories, and the annual report. The Legal Section provides

advisory support to management by researching laws and legal precedents which may affect the Department.

- Logistics is authorized 34 FTEs. This Division includes three sections--Fleet Management, Supply, and Safety and Loss Control--which are responsible for the purchase, maintenance, and repair of vehicles, the stocking of supplies, the coordination of health and safety programs, and the reduction of Department property losses.

- Advanced Training is authorized 26 FTEs.[1] The Division has three sections. Project DARE (Drug Abuse Resistance Education) provides a substance abuse program for children. Operational Training is responsible for providing operational and specialty training, repairing and maintaining weapons, preparing training publications, and providing video services. The Administrative Support Section provides mail services, maintains training records, and provides library services.

- Facilities Management is authorized 41 FTEs. The Division has three sections. Planning and Construction develops and coordinates projects from design through construction. Administration manages leases, purchases property and materials, and supervises custodial/landscaping and security functions statewide. Maintenance provides both preventative and corrective maintenance for DPS facilities.

- Arizona Law Enforcement Training Academy (ALETA) is authorized 6 FTEs.[2] ALETA was established in 1981 as a multiagency training facility conducting basic law enforcement training for approximately 120 agencies. ALETA is responsible for providing training for Arizona peace officers at the state, county, and local levels.

- Finance Division is authorized 18 FTEs. The Finance Division has two sections--General Accounting and Accounts Payable--which are responsible for the Department's payroll, purchasing, and accounting services.

In addition to Division staff, the Bureau has four administrative staff positions: Assistant Director, Chief of Staff, Executive Secretary, and Administrative Services Officer.

Director's Office Provides Other Central Functions

The Director's Office was also reviewed as part of this audit as its FTE and budget are included within the Administration Bureau's appropriation.

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(1) In addition to the 26 FTEs, Advanced Training has two Arizona Law Enforcement Officer Advisory Council (ALEOAC) funded positions and four Drug Abuse Resistance Education (DARE) funded positions.

(2) In addition to the six FTEs, ALETA has an additional 12 ALEOAC funded FTEs.

The Director's Office is allocated 44 FTEs. Centralized activities carried out by the Director's Office personnel include management support, executive security, and fiscal management. The Director's Office also houses the Governor's Office of Highway Safety and the Law Enforcement Merit System Council (LEMSC).

Budget And Staffing

Currently, the Administration Bureau and Director's Office are authorized 211.3 FTEs[1] and a General Fund budget of approximately $17.5 million. Table 1 presents further information on expenditures.

TABLE 1

ADMINISTRATION BUREAU AND DIRECTOR'S OFFICE STATEMENT OF FTES AND ACTUAL AND APPROVED EXPENDITURES FISCAL YEARS 1989-90, 1990-91 AND 1991-92 (Unaudited)

	1989-90 (Actual)	1990-91 (Actual)	1991-92 (Approved)
FTE Positions	213	213	211.3
Expenditures			
Personal services	$ 6,851,694	$ 7,054,755	$ 6,995,600
Employee-related	1,171,180	1,372,438	1,222,500
Professional and outside services	154,691	196,529	118,300
Travel, in-state	67,696	68,902	84,000
Travel, out-of-state	38,375	47,915	39,100
Capital outlay	172,904	154,791	2,500
Other operating expenses	10,209,813	9,885,682	9,005,500
TOTAL	$18,666,353	$18,781,012	$17,467,500

Sources: Arizona Financial Information System reports for Fiscal Years 1989-90 and 1990-91; and the State of Arizona Appropriations Report for the Fiscal Year Ending June 30, 1992.

(1) Although DPS is authorized 211.3 FTEs for the Administration Bureau and Director's Office, according to DPS, two FTEs were moved to the Telecommunications Bureau to support field operations.

Audit Scope

Our report presents findings and recommendations in four areas:

- Fleet take-home policy and size
- Use of unmarked vehicles
- Criminal Justice Enhancement Fund allocation process
- Fuel management system adequacy

The report also presents other pertinent information on the need for more controls over special funds, the possibility of DPS obtaining more Racketeering Influenced Corrupt Organizations (RICO) funds, and the need for DPS to develop training policies and to improve training records for its sworn officers (see pages 31 through 40). In addition, the cost effectiveness of using sworn officers rather than civilian employees in certain positions is questioned in the Area For Further Audit Work section of this report (see pages 41 through 42). Further, the report contains a response to the twelve sunset factors (see pages 43 through 53).

The audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the Director of the Arizona Department of Public Safety, and the Assistant Director and staff of the Administration Bureau for their cooperation and assistance during the audit.

FINDING I

DPS SHOULD REVIEW ITS VEHICLE TAKE-HOME POLICY FOR ALL EMPLOYEES. IN ADDITION, DPS SHOULD ELIMINATE UNNECESSARY VEHICLES FROM ITS FLEET.

DPS should review its take-home policy for all employees; further, DPS should eliminate unnecessary vehicles from its fleet. DPS provides take-home vehicles for numerous employees who do not need commuter vehicles. In addition, DPS has more cars, trucks, and motorcycles than it needs. The Department should improve oversight of its vehicle fleet to ensure its fleet is effectively used.

Background

DPS owns a fleet of 1,670 vehicles. By comparison, the Department is authorized only 1,617 employees for fiscal year 1991-92. In addition to the familiar Highway Patrol cruisers used for traffic enforcement throughout the State, DPS owns a variety of other vehicles including passenger vehicles used by administrative and support personnel, undercover vehicles, and trucks equipped with tools for repairing buildings and radio towers. DPS also owns 90 specialty vehicles such as trailers, snowmobiles and forklifts. Table 2, page 6, illustrates the components of the DPS fleet.

We considered several factors in evaluating each vehicle. To obtain the necessary information, we interviewed individual users, unit supervisors, and the employees who administer the vehicles assigned to each district or unit of the Department. In addition, we examined Department records showing the miles driven per month for each vehicle[1], and monitored vehicles in three DPS parking lots.

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(1) During our review of fuel use, we found DPS's record keeping system allowed errors to occur. Some of the errors could have impacted mileage information recorded on DPS's Fleet Management System.

TABLE 2

DPS VEHICLE FLEET

Bureau	FTEs	Total Vehicles	Cars	Trucks	Motor-cycles	Equip-ment
Director's Office	44	68	66	2	0	0
Criminal Investigation	251	287	194	88	0	5
Highway Patrol	719	922	740	80	66	36
Administration	165	177	100	56	0	21
Criminal Justice Support	156	132	95	26	0	11
Telecommunications	282	84	21	46	0	17
Total	1,617	1,670	1,216	298	66	90

Source: Auditor General Analysis of DPS Fleet Management System information provided by DPS Data Processing on April 16, 1991, adjusted for changes noted during auditors' interviews with individuals responsible for vehicles. The FTE figures were obtained from DPS's Comptroller.

DPS Should Eliminate Vehicles for Commuting Purposes

Two hundred fifty DPS employees who do not need take-home vehicles currently commute to work in vehicles which are purchased, maintained, and fueled by DPS, and insured by the State.(1) These employees have little job-related use for their assigned vehicles and are rarely called out to respond to emergencies, which is DPS's primary justification for take-home status. Our findings are consistent with two previous studies, including one conducted by DPS management, which reported the need for DPS to reduce take-home privileges. Finally, DPS is not reporting its take-home vehicles assigned to civilians as an employee benefit, even though required to do so by Federal law.

The Department currently classifies 1,059 vehicles as take-home. DPS philosophy allows for every sworn officer to be assigned a take-home vehicle, even if the officer's job is purely administrative--e.g., grants administration--and does not entail any law enforcement work. In all,

(1) According to the American Automobile Association, it now costs an average of $5,535 per year to own and operate a new car.

965 sworn officers have assigned take-home vehicles. Further, the Department assigns 77 civilian employees take-home vehicles.[1]

To review the appropriateness of take-home vehicle assignments, several factors were considered. The justification for each take-home vehicle was evaluated in light of the elements listed below.

Factors Considered in Evaluating
Need for Take-Home Vehicles

- Is the vehicle assigned to a Highway Patrol Officer whose primary job is to patrol roadways, beginning at the time the officer leaves his or her home?
- Is the vehicle assigned to a Criminal Investigations Bureau Officer or Sergeant whose primary job is to actively investigate crimes and make arrests?
- Must the employee report directly to the scene of emergencies as part of his or her job?
- How frequently is the employee required to respond to an emergency during off-duty hours?
- Could the employee's unit rotate on-call status to reduce the number of vehicles taken home each night?

Many vehicles are primarily used for commuting - Many employees with take-home vehicles rarely use their vehicles for any job-related purpose other than commuting. We compared commuting miles to total miles driven for 217 take-home vehicles,[2] and found that commuting miles represented 53 percent of the total miles driven. Some vehicles showed very low work mileage: 53 of the vehicles were driven less than 200 miles per month once commuting was excluded.

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(1) In addition, 17 other vehicles are classified as take-home status. DPS assigns a take-home vehicle to the Governor and to two reserve officers. At the time of the audit, DPS had nine vehicles classified as take-home but assigned to vacant positions or in use as "swing" vehicles, and five classified as take-home which were in transition or were disposed of during the audit.

(2) Commuting miles do not include other personal use of vehicles, such as lunch and errands, which require use of a State car because the employee does not have a personal car at the worksite.

Many vehicles are rarely used for call-outs - DPS justifies providing take-home vehicles for all sworn officers by maintaining that it provides an increased capability to respond to major incidences. In particular, they suggest that no one can predict when a castastrophic incident (such as a nuclear plant failure or major dam collapse) might occur or how extensive the required response might be. We disagree with the extent of the DPS approach on this issue because while there are no limits as to what can be imagined might happen, State resources are limited.

DPS also justifies many of its take-home vehicles by stating that they are assigned to officers who are on 24-hour call. However, of 206 employees interviewed (both civilian and officers)(1), 115 had been called out only once per month or less--some had never been called out.(2) Some administrative employees mentioned patrolling metropolitan freeways in the wake of the recent freeway shooting incidents as a reason for needing a take-home vehicle. However, this work was scheduled in advance and entailed borrowing marked patrol cars, as the cars assigned to administrative employees are not marked for enforcement work.

Further, many of the jobs which do require call-outs could have take-home vehicles rotated. In some DPS units, such as Special Investigations, Internal Affairs, and Executive Security, after-hours call-outs happen periodically. However, the Department policy of assigning a take-home vehicle to every member of these units is excessive. When an incident occurs during off-duty hours, not all members of the unit are called out; the unit commander calls only as many as the situation requires. These

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(1) Auditors obtained information on every vehicle in DPS's inventory by interviewing 46 District Vehicle Administrators (staff responsible for vehicles assigned to DPS organizational units) and 39 representatives of employee groups with similar uses for vehicles. After these interviews, most take-home vehicles could be classified as either clearly appropriate or clearly inappropriate for take-home use, but auditors had further questions about 240 take-home vehicles. Of the individuals assigned to these 240 vehicles, auditors were able to contact and interview 206.

(2) DPS calls employees out after regular duty hours to perform a variety of functions. These include photographing accident scenes, releasing "flash money" for drug operations, investigating school bus accidents, and providing required supervising authority for certain actions.

units could assign a limited number of people to on-call status, rotating the assignment weekly or monthly and allowing only the people on call to take vehicles home. If a major incident requiring full mobilization occurred, the other members of the unit could pick up additional vehicles at their duty stations.

Previous studies confirmed our results - Two previous studies reported results similar to our investigation. In 1987, the Governor requested agencies to identify and reclassify take-home vehicles which did not need to be taken home. DPS management responded to the request by eliminating take-home status for 274 vehicles. However, 197 of the positions which lost take-home vehicles in 1987 had regained them by 1991. Only 49 of the 274 jobs still lack a take-home vehicle. The remaining 28 positions have been changed or eliminated since 1987, or were vacant at the time of the audit. DPS management was unable to explain how, when, or why the decision was made to reinstate take-home use of the 197 vehicles.

A 1988 report by Arthur Young & Company suggested reevaluating DPS policies and eliminating take-home privileges for 540 positions. The report said Highway Patrol and Criminal Investigation officers not stationed at remote duty posts could report to a central location to pick up a vehicle before beginning work, instead of reporting on duty by radio and proceeding directly to the highway or other work location. These recommendations were never implemented by DPS.

DPS needs to fulfill IRS requirements for take-home vehicles assigned to civilians - In addition to reducing the number of take-home vehicles, DPS needs to begin to comply with Federal law that requires the reporting of take-home vehicles as an employee benefit for civilians. The Internal Revenue Service requires employers providing take-home vehicles to report an employee benefit at the rate of $3 for each round trip to and from home.(1) Under the law, employers must either withhold extra taxes from

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(1) IRS exempts some vehicles from this reporting requirement including marked pickups and vans which have been modified in specific ways for work purposes. Some DPS civilian employees with take-home vehicles qualify for this exemption.

the employee's paycheck or notify the employee that they will not increase the withholding. Whether or not withholdings are increased, the benefit must still be reported on the employee's W-2 form. Alternatively, IRS allows the employee to pay the employer $3 per round trip for using the vehicle in order to avoid any reportable benefit. Although IRS excludes law enforcement officers from this requirement, and has not provided clear guidance on sworn personnel whose jobs are administrative in nature, the civilian employees should comply with IRS requirements. DPS has never reported any employee benefits for take-home vehicles.

DPS Should Reduce the Total Size of Its Fleet

DPS should eliminate 211 vehicles from its fleet. Our examination of several factors showed that the Department could eliminate vehicles completely for some staff positions and increase pooling. In addition to reducing the number of vehicles in the fleet, DPS could join other State agencies in beginning to use more fuel-efficient and less costly vehicles for some purposes.

DPS assigns vehicles to individuals and organizational units. In addition to take-home vehicles, DPS assigns vehicles to some individuals for their use during duty hours. The Department also assigns some pool vehicles to various organizational units, which may be used by employees who do not have individually assigned vehicles. In addition, the Highway Patrol and Criminal Investigation Bureaus have "swing" vehicles which may be used by employees whose individually assigned vehicles are in the repair shop.

Similar to our evaluation of DPS's need for take-home vehicles, we considered several factors when examining the need to retain each vehicle in the Department's fleet:

Factors Considered in Evaluating Overall Need for Vehicles

- If the vehicle is assigned to an individual, is it driven at least 1,000 miles per month for Department purposes (other than commuting)?

- Is a vehicle necessary for the performance of the assignee's job?
- If the vehicle is assigned to a pool to be shared by a specific DPS unit, is it driven at least 1,000 miles per month for Department purposes?
- Is the vehicle specially equipped for a specific Department purpose?
- If the vehicle is kept as a "swing" vehicle to replace essential DPS vehicles that are down for repairs, is it driven at least 500 miles per month?

These factors were developed based on interviews with other fleet managers and on our knowledge of the Department. The Arizona Department of Administration (DOA) charges an underutilization fee to State agencies that use motor pool vehicles less than 1,000 miles per month. This standard was applied to most DPS vehicles; although if a vehicle met <u>any</u> of the factors identified above, it was accepted as justified. For example, because swing vehicles are kept as replacements for vehicles that are in the shop, a cutoff of only 500 miles was used. Further, some vehicles have special uses justifying their retention, such as the motor homes used at drunk driver checkpoints; therefore, a mileage criteria does not apply.

<u>DPS can reduce or eliminate many vehicles</u> - We recommend reductions or eliminations in several areas. For example:

- Pilots and paramedics within the Aviation Division of the Criminal Justice Support Bureau have virtually no job-related use for a vehicle since their primary responsibilities involve aircraft missions. The 46 vehicles, assigned to these personnel on a take-home basis, should be eliminated from the fleet.
- Administrative Sergeants work at district offices or Department headquarters where swing vehicles are located. Their duties are primarily administrative. They should use swing vehicles when needed for daily errands, and should take a vehicle home only when serving as Acting Commanders in the absence of their supervisors.
- Staff at the Arizona Law Enforcement Training Academy (ALETA) in Tucson sometimes need access to vehicles to travel from the Academy to the firing range and driving tracks. However, if commuting use of ALETA's 23 take-home vehicles is eliminated, a pool of 11 vehicles should satisfy ALETA's business travel needs. In addition to these staff vehicles, ALETA has a fleet of 33 vehicles for driver training classes, which appears acceptable based on the estimated average class size.

Altogether, we identified 211 vehicles that could be eliminated from DPS's fleet:

- 87 vehicles can be eliminated entirely, without adding any pool vehicles to compensate for them. These include the vehicles assigned to pilots, paramedics, and administrative sergeants, plus several vehicles with monthly utilizations under 100 miles per month.

- 124 vehicles can be eliminated by increasing the amount of sharing. We identified 246 vehicles, currently assigned to individuals and units throughout the Department, that are underutilized although the assignees do need access to vehicles. By assigning 122 vehicles to pools, DPS can meet the needs currently met by the 246 vehicles.

DPS may have additional vehicles that could be eliminated or reclassified as non-take-home which were not identified because the analysis did not address:

- Whether Highway Patrol vehicles should be assigned to road officers on a take-home basis. Two neighboring states, California and Colorado, share such vehicles between officers.

- Whether the Criminal Investigation Bureau should assign vehicles to every officer and sergeant to use for law enforcement work conducted by members of the street squad, gang unit, narcotics units, and similar groups.

- Whether vacant positions within the Department would be filled. For purposes of the analysis, if a vehicle was assigned to a vacant position, the vehicle was evaluated as if the position it was assigned to was filled.

- Whether DPS employees can make greater use of personal cars for conducting Department business. Other state agencies routinely require employees to use their own vehicles for State business and obtain reimbursement for miles traveled.

Further, the Department was provided a number of pool vehicles to replace eliminated vehicles.[1]

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(1) For several small groups within DPS, we divided each group's current average monthly business miles by 1,000 (500 for swing vehicles) to determine the number of vehicles needed in a dedicated pool. If the result showed a fraction of a vehicle (e.g., Advanced Training's 5,233 business miles would require 5.233 vehicles), we dropped the fraction from the dedicated pool, and added all the fractions together to determine the number of extra vehicles the Department would need to make available at a central location.

Some areas could use smaller vehicles - In addition to reducing the number of vehicles in its fleet, DPS should consider purchasing smaller, less costly, and more fuel-efficient vehicles for some purposes.[1] Legislation enacted during the 1991 Legislative Session (A.R.S. §28-1591.04) requires the State motor vehicle fleet to begin buying fuel-efficient vehicles and to convert the State vehicle fleet to alternative fuel use. Although DPS is excluded from this new law, the Department could take steps in the same direction. When surveyed, some DPS employees indicated that their duties could be accomplished using smaller, more fuel-efficient vehicles. For example,

- Internal Affairs staff drive Crown Victorias, full-size cars equipped with special police engines, which obtain 15 miles per gallon according to EPA estimates. Although they travel statewide, most do not carry special equipment or conduct high-speed pursuits, so they could use smaller cars. The Cavalier, a four-door compact car frequently used by the State motor pool, has an EPA estimate of 29 miles per gallon, and costs $8,185 compared to approximately $14,000 for a Crown Victoria.

DPS Lacks Central Oversight of Its Vehicle Fleet

If DPS had better central monitoring of its vehicle fleet, it could identify unneeded take-home assignments and excessive vehicles. DPS does not monitor or evaluate its need for vehicles on an ongoing basis. The Department allows each Bureau to purchase its own vehicles, and no central unit monitors usage to ensure the vehicles are fully utilized and properly deployed. The Fleet Management Section keeps computerized records of vehicle assignments, including information on miles driven and costs of operation, but does not have the authority to question the need for vehicles or take action on any underutilized vehicles. The Department should delegate responsibility for monitoring fleet usage, and authority for reassigning or eliminating unneeded vehicles, to the Fleet Management Section.

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(1) This recommendation does not apply to all DPS units. Many units do not obtain vehicles new, but receive used vehicles from Highway Patrol. DPS generally retires vehicles from the highway after approximately 100,000 miles because cruisers used by patrol officers must be reliable, capable of attaining high speeds, and comfortable enough to work in all day. Although not suitable for patrol work, "miled-out" cruisers can remain useful for many more miles, so they are distributed throughout the Department for use until the cost of maintaining them becomes excessive.

RECOMMENDATIONS:

1. DPS should review the vehicle take-home status for all of its take-home vehicles. Based on our review, DPS should be able to revoke take-home privileges for at least 250 employees.

2. DPS's Fleet Management Section should monitor and evaluate the need for vehicles on an ongoing basis, and examine the potential for pooling or eliminating vehicles which do not meet utilization standards. Based on our analysis, DPS should reduce its overall fleet by at least 211 vehicles.

3. DPS should begin reporting benefits for take-home vehicles on employee tax forms as required by Federal law.

4. DPS should consider fuel efficiency in its vehicle procurement decisions.

FINDING II

DPS VEHICLES ARE INAPPROPRIATELY MARKED

DPS does not comply with Arizona laws pertaining to vehicle markings. Nearly half of the Department's vehicle fleet is either unmarked or only partially marked. The lack of markings appears unjustified in many of these cases.

DPS Has Many Unmarked Vehicles

Arizona Revised Statutes require marking all State vehicles with the name of the owner agency and the words "for official use only," unless certain conditions are met. DPS has nearly 500 totally unmarked vehicles and over 300 partially marked vehicles.

A.R.S. requires marking State vehicles - A.R.S. §28-1441 requires all motor vehicles owned by the State to be marked, in one-inch-high letters, with the words "State of Arizona" followed by the name of the Department or agency. This designation must be placed on each side of the body of the vehicle. Above this legend, the words "for official use only" must appear in letters at least one inch high.

A.R.S. §28-1443 provides an exemption for certain vehicles. The head of an agency with the power to conduct felony investigations, or other confidential activities, may apply to the Governor for an exemption for specific vehicles used in such services. This application must include the nature of the services and identification of the vehicle with year, make, model, and vehicle identification number. The Governor may grant an exemption for a period not to exceed one year.

DPS has many unmarked vehicles - DPS's fleet of 1,670 vehicles includes vehicles marked in several ways. The Department's General Orders define seven vehicle types and the markings to be used for each type. Table 3, page 16 illustrates the types of markings and the number of vehicles of each type.

TABLE 3

DPS VEHICLE MARKINGS

Markings Type	Number of Vehicles	Description of Markings
A	416	White cruisers with light bars on the roof, seven-point star on the front doors, and reflectorized words "Highway Patrol" across the trunk. These have brown State license plates.
B	315	White cruisers similar to the above, but with lights in the grille instead of on the roof.
D	171	Unmarked vehicles, not for undercover use. These have regular maroon license plates which are registered to the Department, and have no obvious police identification.
E	310	Partially marked vehicles used by administrative and support personnel. These have brown State license plates and clear decals in the rear windows saying in dark letters "State of Arizona Department of Public Safety, For Official Use Only." There are no markings on the body of the vehicle.
F	306	Unmarked vehicles for undercover use. These have regular maroon license plates which are registered under false names.
G	150	Specialty vehicles such as motorcycles, snowcats, and trailers, marked as designated by the appropriate Department official.
H	2	Marked motorist assist vehicles (vehicles specially equipped to assist motorists experiencing vehicle problems) with roof-mounted light bars.

Source: DPS General Order, No. 72.02, dated May 11, 1990.

Many Of DPS's Marking Practices Cannot Be Justified

The Department's marking practices for its administrative and command staff vehicles are inappropriate. Failure to mark some vehicles appears unjustified, while the markings used on other administrative vehicles do not appear to meet either the letter or the intent of the law. Marking law enforcement vehicles is important to deter traffic violations and detect misuse of vehicles.

Our concern with unmarked vehicles focuses on those vehicles used by the Department's administrative and command staff. Currently, DPS has over 480 vehicles which are either unmarked or only partially marked. We do not question the Department's need for unmarked status for the 306 vehicles used in its undercover work.

Some of DPS's unmarked vehicles should be marked - Many of DPS's 171 unmarked, non-undercover vehicles may not need to be unmarked. Some of these vehicles lack a brown State government license plate and are varying models and colors, thus, they look like privately owned vehicles. According to the DPS Director's Office, some of these vehicles are unmarked because DPS and other law enforcement agencies have historically provided unmarked cars to command staff (Lieutenants and above). However, this practice does not appear to be provided for in the statute. Others are unmarked because the user legitimately needs to maintain a low profile, for example when conducting special investigations into officer conduct at the request of another law enforcement agency. However, there are a limited number of unmarked vehicles in DPS's fleet which can be justified using this criteria. The following examples illustrate some of the staff with assigned unmarked cars who seem to have little need for unmarked vehicles:

- Some staff in the Crime Laboratory use unmarked cars to travel to crime scenes, court appearances, and meetings with various law enforcement agencies and groups. The other Laboratory personnel use marked vehicles for similar purposes.

- Two officials of the DARE program use unmarked cars, although DARE is a public outreach program where high visibility would seem to be desirable.

- Two members of the Advanced Training Unit use unmarked cars to travel to teaching assignments throughout the State.

In addition, DPS has 310 administrative vehicles which are inadequately marked. These vehicles have brown State government license plates and decals with one-inch high letters in the rear windows, but no markings on the body of the vehicles. Some of the vehicles have tinted windows, making the dark letters on the clear decal difficult to see. A representative of DPS's Director's Office explained that the window decals are easier to remove without doing any damage when the Department resells its vehicles. However, the window decals in DPS's administrative vehicles do not appear to comply with the specific requirements or the intent of the statute.

<u>Marking State-owned vehicles is important</u> - State-owned vehicles should be marked whenever possible. First, marked Department of Public Safety vehicles may serve as deterrents to traffic violations and other crimes. Second, marked vehicles, if they are equipped with lights and sirens, are more useful for the Department's function of apprehending violators, and safer when officers must respond quickly to emergencies. Third, marking State-owned vehicles enables private citizens to recognize and report possible misuses of the vehicles. The Arizona Department of Administration, for example, receives complaints from the public when State vehicles are parked at supermarkets or [illegible]en on the [illegible]d.

DPS Should Comply with Arizona Law

DPS is not exempt from A.R.S. §28-1441 which requires State vehicles to be marked in a specified manner. DPS may obtain exemption for specific vehicles by making application annually to the Governor as described in A.R.S. §28-1443, identifying each vehicle and the nature of its use. However, DPS has not applied to the Governor for approval of unmarked vehicles.

A letter from a former Governor delegating responsibility for authorizing unmarked vehicles to DPS does not exempt DPS from complying with the statute. DPS showed us a letter from the Governor dated

November 28, 1987, which delegated responsibility for complying with A.R.S. §28-1443 to the Director of DPS at the time. However, authority of an executive may only be delegated if it does not require judgment or discretion. Authority to delegate discretionary matters must be pursuant to specific legislation, according to Attorney General's Opinion I87-119. A.R.S. §28-1443.B specifically provides that the Governor will make the exemption as a matter of discretion. Since determining the exemption is a discretionary matter, this authority may not be delegated.

RECOMMENDATIONS:

1. DPS should comply with A.R.S. §28-1441 by properly marking its vehicles on each side of the body of the car.

2. DPS should reduce the use of unmarked vehicles for non-undercover work.

3. DPS should comply with A.R.S. §28-1441 by applying annually to the Governor for exemption for all unmarked vehicles.

FINDING III

THE DEPARTMENT SHOULD REVISE ITS PROCESS FOR ALLOCATING CRIMINAL JUSTICE ENHANCEMENT FUNDS TO ENSURE OBJECTIVITY AND FAIRNESS

The Department should take steps to ensure that its process of distributing Criminal Justice Enhancement Funds (CJEF) is fair and objective. DPS is one of several State agencies allocated a percentage of CJEF monies to distribute to State and local law enforcement agencies for use for statutorily defined purposes. However, it appears that the process DPS uses for distributing these funds may not be conducted in an obviously objective and unbiased manner. This process should be revised to ensure greater objectivity and fairness.

DPS Receives and Allocates CJEF Funds

A.R.S. §41-2401 establishes the Criminal Justice Enhancement Fund (funded from penalties assessed on criminal fines and forfeitures and on civil sanctions as per A.R.S. §41-2403), a portion of which is allocated to DPS and nine other State agencies and funds.(1) Of the percentage DPS receives, it then allocates, or distributes the money to itself and other law enforcement agencies for certain purposes. Specifically, DPS is to allocate the money it receives

> ...to State and local law enforcement authorities for the purpose of enhancing projects designed to prevent residential and commercial burglaries, control street crime, including the activities of criminal street gangs, and locate missing children and for the purpose of providing support to the Arizona automated fingerprint information system.

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(1) A.R.S. §41-2401 directs the State Treasurer to distribute CJEF monies on a monthly basis in the following way. First, 7.5 percent to the Arizona automated fingerprint information system (received and administered by DPS), then 2 percent of the remaining 92.5 percent to the Department of Juvenile Corrections. After these distributions, remaining monies are allocated to various agencies or funds--DPS receives 12 percent of the remainder, and varying percentages are received by the Peace Officers' Training Fund, Prosecuting Attorneys' Advisory Council Training Fund, Department of Health Services, Supreme Court, Department of Law, Department of Corrections, and the Arizona Criminal Justice Commission.

DPS received approximately $1.9 million and $1.7 million for the fiscal years 1989-90 and 1990-91 respectively for these purposes.

Fairness and Objectivity Not Ensured with Current Allocation Process

The decision-making process used by DPS for allocating CJEF monies does not appear to have an objective basis. The Legislature, as mentioned previously, has defined the purposes for which DPS should allocate CJEF monies. DPS, however, has not developed specific written evaluation criteria defining how projects will be selected for funding. Instead, each DPS employee involved in the process makes approval and funding decisions based on their individual judgment. The current allocation process begins with the DPS CJEF coordinator, who assesses application information,[1] and may conduct additional queries as necessary including referring the application to specialists within DPS for technical evaluation. The coordinator then prepares a brief summary, recommending alternatives regarding the project and potential funding to the DPS grants administrator. Following review of the summary and application file by the grants administrator, a recommendation is noted in the file which is then sent to the comptroller for review. The file is then submitted to the Deputy Director for final approval (acting on behalf of the Director).

As a result, this process may not be free of bias nor provide all applicants a fair and equal opportunity to utilize CJEF funds. At a minimum, the existing allocation process creates the appearance of a less than objective administration of these funds by DPS. For example, some DPS projects which received funding appear to be only indirectly related to the statutorily defined purposes. Furthermore, inconsistencies in the basis for certain decisions is evident in some cases. The Department also lacks an adequate system for prioritizing projects competing for limited CJEF funding.

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(1) According to both DPS policies and Arizona Criminal Justice Commission rules, all applications must be in writing, detailing the objectives and purpose of the project, and providing an implementation plan, a detailed budget, and other information.

- **Some DPS projects appear to be only indirectly related to the purposes outlined in statute.** For example, during fiscal year 1989-90, DPS awarded itself all $250,000 requested by one of its bureaus for a project to purchase mobile digital terminals (MDT) and mobile radio equipment for Phoenix and Tucson area Highway Patrol vehicles. While the award form indicates the statutory purpose of the project is to "reduce street crime," and DPS does make arrests involving such crimes, the Highway Patrol is primarily involved in traffic enforcement and accident investigation. Furthermore, no information regarding how the Highway Patrol will use MDTs to reduce street crime is provided in the project file. Instead, the only information provided in the project file describing any project goal is on the award form, noting that the MDTs will "improve officer performance and safety." No formal request was prepared--the only document requesting these funds is a brief memorandum, which also indicates that Racketeering Influenced Corrupt Organizations (RICO) monies and internal funds would be used to purchase transmitter/receivers and related switching equipment needed to implement the MDTs.

  While DPS funded its MDT project, it awarded other law enforcement entities less than requested for their projects which appeared to be more directly related to the statutory purposes. We reviewed project requests in that same year from the South Tucson Police Department, Springerville Police Department, Yavapai County Sheriff, and ASU Police. While DPS awarded itself $250,000 for the MDTs, these four entities received, in total, 44 percent less than requested (received $207,865 of $369,505 requested). Examples of projects not funded included patrol and undercover vehicles, overtime pay for officers, and crime reduction/prevention public information pamphlets and posters. While DPS officials indicated that the requested amounts were reduced based on agreements with these jurisdictions that some of the funding requested was not necessary or did not meet the statutory purposes for use of CJEF funds, the contract files did not reflect such agreements. Instead, file documentation generally indicates that these jurisdictions were told that inadequate funds were available, and that the jurisdictions should resubmit their requests for unfunded items at a later date.

  Another example of a DPS project which appears to only indirectly relate to one of the statutory purposes is DPS's funding during fiscal year 1987-88 of $165,000 for a Forward Looking Infrared Radar (FLIR) device. This device was to be used by its helicopters (the one device could be transferred among the Department's several helicopters) for locating missing persons and other purposes. The project was approved under the statutory purpose of locating missing children. However, based on our analysis of the Department's helicopter operations, the primary use of the helicopters is for medical missions (56 percent), while use for search and rescue missions, which includes persons of all ages, amounts to only 8 percent of all flights. According to Department statistics, the FLIR device has been used 16 times since October 1988 in searches for missing children.

- **The basis for some awards indicates inconsistencies in decision-making.** For example, we reviewed several fiscal year 1989-90 project files and found that DPS treated similar requests differently. On August 29, 1989, the South Tucson Police Department requested two fully equipped patrol vehicles for a total of $32,000 as part of its total project request. One funding recommendation prepared by the DPS CJEF coordinator stated that the patrol vehicles should be excluded from funding to be "consistent with recent recommendations." The grants administrator also recommended no funding for the vehicles due to limited funds.

  Also on August 29, 1989, the Yavapai County Sheriff's Office requested six fully equipped vehicles for investigative uses (total of $90,000) as part of their total request. Although the vehicle portion of the request was originally not funded, the request for the vehicles was resubmitted three months later. At this time, DPS approved three of the six vehicles for funding ($45,000). This time the project funding summary recommendations noted that "if the Department were to turn down this request it would be extremely difficult to defend since CJEF recently provided Cottonwood monies to purchase and equip two vehicles."

  As a further example of inconsistency in decision making, for the South Tucson Police Department request discussed above, DPS approved a blanket amount of $75,000 out of a total request of $133,379. Typically, DPS approves funding for specific items identified in requests when it funds only a portion of project requests. In this case however, DPS notified the police department to "submit a budget for $75,000 and we will then issue a contract."

- **DPS does not have an adequate system for prioritizing competing projects.** Applicants can submit project funding requests to DPS at any time--there is no set deadline by which all projects are to be received, and DPS has not established a system for clearly prioritizing projects for funding. Because requests for DPS CJEF monies routinely exceed amounts available for award,[1] and because less money has been and will be available for DPS to allocate in the future as a result of various statutory changes, lack of a prioritization system reduces the ability of the various agencies to objectively compete for limited funding.

  Although DPS told us that new projects approved for funding throughout the year cause all approved but unfunded projects to be reprioritized, we found no clear evidence of prioritization. For example, DPS approved a project for funding a DPS lab technician position during fiscal year 1991-92 ($30,500). A DPS bureau had requested funding for this position on February 22, 1991, out of DPS's RICO (seized assets) funds, not CJEF. Although documentation indicates the project qualified for seized assets funding, DPS decided CJEF monies should be used instead (no CJEF application for this approved project exists). Eight working days later, on March 6,

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(1) According to a DPS report, requests for funding exceeded CJEF receipts by 25 percent in fiscal year 1988-89 and 69 percent in fiscal year 1989-90.

the project was approved for CJEF funding. While this DPS project appears to have been quickly evaluated and approved for funding, we were unable to determine that any structured prioritization actually occurred and if so, which other project(s) were lowered in priority for potential funding as a result of approval of this DPS project.

Allocating Process Should Be Revised

Although it was difficult to obtain comparable criteria, we found several possibilities for improving the objectivity of the allocation process, both in practice and appearance. First, DPS should develop objective written criteria defining how competing projects will be evaluated and funded. As discussed earlier, the only guidance the Department currently has is that which is contained in statute regarding the overall uses of CJEF monies. Written criteria is also needed to clarify how approved projects will be prioritized for funding purposes.

Second, DPS should consider setting specific due date(s) for applications requesting CJEF funds. Currently, DPS accepts requests, or applications, for CJEF monies at any time throughout the year. Establishing due dates for applications (perhaps requiring they be due once or twice yearly) will promote greater fairness in ranking projects competing for limited funds and improve the prioritization of those projects approved for funding. While all approved projects could not be funded immediately, funding could occur as CJEF receipts become available, based on project priority.(1) The Supreme Court, which is the only other entity that receives CJEF monies and can allocate such monies to both itself and other entities, requires requests be received on January 31 of each year. Approved projects are funded in the subsequent fiscal year.

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(1) A DPS administrator told us the Department feels it is important to set aside some CJEF funds for potential emergencies, for example, to help a local law enforcement entity pay costs associated with a type of project that could not be applied for in advance, such as locating a missing child. However, funding for such an emergency has occurred, according to DPS, only once since DPS began receiving CJEF allotments ($73,874, during fiscal year 1988-89). If DPS feels the need to reserve funds for such emergencies, it could implement recommended changes, but reserve a set amount to be used only for valid, defined emergencies.

Third, in evaluating project requests, DPS should study the possibility of using a panel to review requests for CJEF funding. At this time, each request is reviewed and considered by one DPS employee, the CJEF coordinator, who then summarizes the request and prepares recommendations for funding for review by higher-level officials. Using some type of panel, particularly if it involved personnel from outside DPS, to review all applications competing for the limited CJEF funds, could lend more objectivity to the process.

Finally, DPS should ensure that evaluation decisions are adequately documented in the project files. This documentation should clearly identify how decisions were made, and the justifications used in arriving at those decisions.

RECOMMENDATION

1. DPS should revise its process of reviewing and approving applications requesting CJEF monies to provide for greater objectivity and fairness. Specifically, DPS should consider

    - developing specific written criteria defining how competing projects will be evaluated and funded, and, how approved projects will be prioritized for funding purposes,
    - setting specific due dates for applications to allow for clearer and more timely prioritization of projects requesting limited CJEF funds,
    - using a panel for the review and evaluation of the applications, and
    - ensuring that project files contain adequate documentation justifying decisions.

FINDING IV

DPS NEEDS BETTER CONTROL OVER VEHICLE FUEL

DPS should install a computerized system to improve control over fuel dispensed at its pumps. DPS's system for recording the fuel used in its vehicles is error prone, resulting in unreliable management information. A computerized system for controlling and recording fuel would cost only a small fraction of DPS's annual fuel budget and would provide better control.

Fuel is a large expenditure for DPS. In fiscal year 1990-91, the Department purchased 1,370,098 gallons for its 23 bulk fuel sites, at a total cost of $1,357,229.[1] DPS's Fleet Management Section handles approximately 10,000 fuel transactions per month.

DPS's System for Recording Fuel Use Is Inadequate

DPS's current fuel tracking system provides inadequate record keeping and reporting. Handwritten "fuel tickets," filled out by DPS employees when they put fuel into their vehicles, form the basis of DPS's current system for tracking fuel use. When properly filled out, these tickets show the vehicle and employee using the fuel, the gallons used, and the vehicle's current odometer reading. These tickets are then entered into the Department's Fleet Management computer system.

DPS's current system for recording fuel use allows many errors to occur, and most errors are not corrected. A review of DPS's Fuel Ticket Error List reports showed that during January through March 1991, 1,988 fuel ticket errors occurred. Because these errors were not corrected (in many cases correction would be impractical), 22,029 gallons of fuel were not recorded on DPS's computer information system. In addition, we found

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(1) In addition, DPS employees obtained another 340,000 gallons from Arizona Department of Transportation (ADOT) bulk fuel sites at a cost of approximately $418,000, and the Department spent about $165,000 on fuel purchased with credit cards.

other errors which were not captured on the error report, including two vehicles which showed only one fuel transaction between them in a fifteen-month period although maintenance records revealed they were being driven during that time. The effects of these errors include the following:

- DPS reports contain unreliable vehicle operating costs per mile, because the underlying data is incomplete. These costs are used to evaluate fleet management practices and identify vehicles which cost too much to run.
- The Department cannot adequately monitor vehicle utilization because the Fleet Management System contains inaccurate data on vehicle odometer readings.
- DPS cannot determine whether discrepancies are simply due to recording errors or whether pilferage is occurring.

Automated Systems Are Available

An automated system could improve control over fuel use and increase data accuracy.(1) Several manufacturers can provide automated systems for recording fuel dispensed from DPS pumps at a cost of only a small percentage of DPS's annual fuel budget.

Automated systems have benefits - Automated fuel record-keeping systems have several benefits. As reported by a Salt River Project official, implementing a fully automated system reduced unaccounted fuel from 10 to 20 percent to none. In Colorado, State Patrol officers can obtain fuel from the Highway Department's automated system, eliminating the need to manually check fuel logs and manually enter data into the system.(2)

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(1) Automated fuel systems involve a reading device, mounted at the fuel site, and magnetic cards or keys which are assigned to the vehicle user. To obtain fuel, the user inserts the card or key into the reading device, which prompts for an identification number and odometer reading. The device checks the information for accuracy, and then releases the hose for fuel dispensing. The transaction is recorded automatically.

(2) Other states and police departments also use automated fuel systems. Utah implemented a statewide automated fuel system on July 1, 1991, too recently to assess the system's benefits. New Mexico officers access fuel pumps with a numbered key, and a meter records the key number and gallons used. The City of Phoenix uses a system similar to the one used in New Mexico.

According to several vendors in addition to improving accountability, automated systems can signal when preventative maintenance is due and flag when the fuel level in each tank is low. They said these systems provide better fuel management overall, increase the accuracy of records and eliminate errors, provide vehicle performance information, and reduce or eliminate unauthorized fuel use.

DPS Fleet Management Section has requested funding - DPS's Fleet Management Section has requested funds for evaluating or implementing an automated fuel dispensing system. In fiscal year 1988-89, the Department included a request for this funding in its budget request to the Legislature. However, funding was denied. In each of the next three fiscal years, the Fleet Management Section again submitted policy issues to the Department's internal budget preparation process, but the Department did not include them in its priority list of budget items presented to the Legislature.

Cost of automated system would be small in comparison to fuel budget - The Department could automate its fuel record keeping system for a small fraction of its annual fuel expenditures. We contacted representatives of five vendors to obtain an estimate of the cost of an automated system. As shown in Table 4, automating DPS's entire network of 23 fuel sites could cost less than $300,000, and automating only the 6 sites which dispense 70 percent of the Department's fuel could cost less than $100,000. The most expensive plan shown in Table 4 (see page 30), at $276,000, would cost only 14 percent of DPS's fiscal year 1990-91 expenditures for fuel, which totalled $1,940,170. The Department has several options for funding this expenditure, including using internal special funds (see Other Pertinent Information, pages 31 through 40).

TABLE 4

COST OF AUTOMATED FUEL SYSTEMS[a]

Vendor	Cost for 6 sites that dispense 70% of fuel	Cost for all 23 sites
A	$60,000-$72,000	$230,000-$276,000
B	$45,870	$175,835
C	$63,000	$224,500
D	$75,000	$230,000

(a) We contacted five vendors, but only four provided complete estimates. The figures presented are not formal quotations, but indicate an approximation of the cost range for automating DPS's system. The vendors did not visit DPS facilities nor prepare formal proposals.

Source: Auditor General staff interviews with representatives of automated fuel system vendors during June 1991.

Some of these costs would be offset by reductions in staff needed to manually process fuel tickets under the current system.

RECOMMENDATION

In order to maintain better control and improve record keeping over fuel usage, DPS should explore alternative funding sources to implement an automated fuel dispensing and record-keeping system.

OTHER PERTINENT INFORMATION

During the course of our audit we developed information concerning the need for more controls over special funds, DPS's potential for obtaining more anti-racketeering funds for its operations, and the need for DPS to develop training policies and improve training records for its sworn officers.

Nationally, More Attention Is Centering on Controls over Special Funds

There has been tremendous growth in monies received as a result of State and Federal forfeiture and anti-racketeering laws both nationally and at the state level. Although funds are growing, laws governing these funds have generally remained broad. Other jurisdictions are studying the need for additional controls in these areas.

Arizona receives monies from both State Racketeering Influenced Corrupt Organizations (RICO) forfeitures, as well as for its involvement in forfeitures under Federal shared assets laws.

- Racketeering Influenced Corrupt Organizations - Funds which are received by DPS as a result of its involvement in actions resulting in the forfeiture of criminal assets based on State anti-racketeering laws.
- Federal shared assets - Received from several Federal agencies (the Drug Enforcement Agency, U.S. Customs, Federal Bureau of Investigations, and Internal Revenue Service) as a result of DPS's cooperation in the enforcement of Federal drug and anti-racketeering (RICO) and forfeiture statutes.

In recent years, at both the national and local level, tremendous growth has occurred with respect to these funds. A Federal report indicates that since the Asset Forfeiture Program began in 1984, over $1.5 billion has been generated for the Asset Forfeiture Fund. Of this, more than $560 million in forfeited cash and property has been shared with state and local law enforcement agencies, over $200 million in fiscal year 1989-90 alone. This sharing has increased from only $22.5 million in fiscal year 1986. Over the past several years, DPS itself has received

increasingly larger amounts of both State RICO and Federal shared assets funds. These unappropriated funding sources have provided DPS with the opportunity to offset some of its operating costs (also with CJEF funds - see Finding III, pages 21 through 26). According to information provided by DPS, combined RICO and Federal shared assets receipts to DPS have significantly increased. Between fiscal years 1988-89 and 1990-91, DPS received $6,613,336 and expended $5,102,331 (see Table 5). As of June

TABLE 5

DEPARTMENT OF PUBLIC SAFETY
RICO AND FEDERAL SHARED ASSETS
RECEIPTS AND EXPENDITURES
FISCAL YEARS 1988-89, 1989-90, AND 1990-91
(Unaudited)

	FY 1988-89(a)	FY 1989-90	FY 1990-91	Total
RICO(b)				
Receipts:				
Attorney Gen'l	$ 297,691	$ 487,168	$ 995,957	$1,780,816
Counties(c)	475,348	558,494	440,386	1,474,228
Other(d)	5,525	93,708	53,192	152,425
	$ 778,564	$1,139,370	$1,489,535	$3,407,469
Expended by DPS:	$ 730,780	$ 999,712	$1,171,807	$2,902,299
Federal Shared Assets(b)				
Receipts (from all sources):	$ 437,099	$ 682,829	$2,085,939	$3,205,867
Expended by DPS:	$ 306,251	$ 719,761	$1,174,020	$2,200,032

(a) According to a Department official, fiscal year 1988-89 receipts and expenditures are not reflective of a full twelve month time period.

(b) As of June 30, 1991, DPS had a balance on hand (in-house DPS accounts) of $1,005,835 in Federal shared assets funds, $475,527 in Attorney General RICO funds, and $29,643 of "other" RICO funds.

(c) These "receipts" include only monies actually received by DPS from the counties. In some counties, additional amounts, though not actually received by DPS for use, have been "set aside" or earmarked for future DPS use. As of June 30, 1991, the amounts earmarked for, but not yet used by DPS by four counties totaled $840,259.

(d) "Other" includes monies received by DPS from transactions in which DPS cannot clearly identify the original source.

Source: Compiled by Auditor General staff using information obtained from DPS.

30, 1991, DPS had a balance of $2,351,265 available both in-house and earmarked for its use by several counties. Furthermore, recent information from the U.S. Attorney's Office indicates that as much as $10 million may be due DPS from various forfeiture actions that are being processed.(1)

Although funds are increasing, laws governing these funds have generally remained broad and provided for limited oversight. In the case of RICO, funds can be used for the investigation and prosecution of 27 racketeering acts (including homicide, robbery, theft, involvement with prohibited drugs, trafficking in explosives, weapons or stolen property, gambling, prostitution, money laundering, asserting false claims, and a scheme or artifice to defraud). This has allowed DPS to use this money for projects such as the purchase of cameras, surveillance equipment, a Forward Looking Infrared Radar (FLIR) device, weapons, bomb suits, and microscopes, and to pay for overtime costs, gambling investigations, crime lab operations, evidence acquisition costs, and K-9 narcotics detection. Although DPS reports its State RICO expenses to the Attorney General, we could not identify any authority responsible for ensuring that these funds are properly used.

Allowable uses of Federal monies is even broader and reporting of uses of funds is virtually nonexistent. DPS can use Federal shared asset funds "for any law enforcement purpose" provided the operation or equipment "enhances" law enforcement and does not supplant funds which would normally be appropriated. DPS has utilized Federal shared assets funds on projects including employee wellness programs and physicals, evidence acquisition and a cold evidence storage facility, employee overtime pay, fuel, and various types of equipment including a laser fingerprint analyzer, undercover vehicles, copiers, weapons, and vehicle light bars.

<u>Other jurisdictions have, or are studying, more controls</u> - The Federal government is currently studying the need to implement stronger controls over Federal shared asset funds. The U.S. Department of Justice

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(1) In addition to receiving and utilizing funds, DPS also receives and utilizes various other assets as a result of seizures and resulting forfeitures. For example, DPS has received many vehicles, including a diesel truck valued at $100,000, which it plans to use in commercial vehicle inspection and enforcement work.

Executive Office for Asset Forfeiture, responsible for examination of Federal asset forfeiture and asset sharing policies, is currently in the process of developing more controls over management and distribution of forfeited assets than are now in place. Officials we spoke with commented on the necessity of doing so because of the extreme growth of the Federal Shared Assets Fund and because of recent criticism by the United States General Accounting Office. A June 1990, report by the General Accounting Office found that these funds were vulnerable to fraud, waste, and mismanagement and, as such, should be audited. The report recommended that the U.S. Department of Justice as well as the U.S. Customs Department both be required to provide Congress with audited financial statements to "strengthen internal controls and improve information available for effective oversight by...Congress...." In 1990, Congress passed measures requiring such financial statements.

In addition to requiring audits of these funds, Congress also requires that monies in the Department of Justice's forfeited assets fund be appropriated. For example, in fiscal year 1990-91, the U.S. Congress appropriated $100 million from the fund for discretionary use by the Department of Justice in support of forfeiture actions, and additional amounts for prison construction and use by other Federal law enforcement agencies.

At the state level, controls vary considerably. We contacted four states regarding their controls. Two states, Florida and Texas, were attempting to add statutory controls. The other two states, California and New Mexico, have existing controls or oversight not found in Arizona:

- In New Mexico, monies seized or forfeited under its Controlled Substances Act are deposited into special accounts within the State Treasury. These monies are appropriated by the legislature for specific purposes.(1) According to a New Mexico Public Safety Department official, the appropriations go to specific positions and programs. Monies received from Federal shared assets, on the other

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(1) According to Vice Chair of the New Mexico Senate Judiciary Committee, the New Mexico Legislature looks with disfavor on special funds and is working toward ending their use so that all state expenditures are brought within the budgetary process and under proper control.

hand, go directly to the agency, and are not appropriated. According to an official with the New Mexico legislature, courts have ruled that the legislature does not have the authority to appropriate these funds.

- In California, State RICO and seized asset monies are deposited into special deposit funds within the asset forfeiture account of the State Treasury. These monies must then be budgeted and appropriated by the legislature, or its designee. According to an official from the California Highway Patrol, the Highway Patrol appropriation is limited to $2 million a year. Once appropriated, the specific allocation of these funds is an internal matter. Proposal for use of the monies are reviewed by a four-member Highway Patrol Commission, and ultimately approved by the Commissioner, who is appointed by the Governor.

Within Arizona, there has been a move to address the need for additional control. During the 1991 Legislative session, a bill was introduced which would have required standard reporting by all Arizona agencies receiving RICO monies, and a requirement that these monies also be appropriated. The bill was amended to remove the requirement for monies to be appropriated. However, the bill as passed does require standard reporting of the sources of all monies and expenditures by the Attorney General, counties (County Attorneys), and cities and towns (each of these entities, like DPS, receives anti-racketeering monies). However, DPS was not included in the bill.

Potential Exists For DPS To Receive More Funds From Forfeitures

Although the amount of funds received by DPS from the forfeiture of seized assets has steadily increased in the past three years, it appears DPS should be receiving even more such funds from the counties. As discussed on page 33, DPS can receive funds when its enforcement actions result in the forfeiture of assets seized under State and Federal forfeiture and anti-racketeering laws. The funds DPS receives are referred to as "Federal shared assets" from Federal agencies, and Racketeering Influenced Corrupt Organizations, or RICO funds, from revolving funds administered by the Arizona Attorney General and the counties. Information provided by DPS shows that combined receipts and earmarked funds for DPS from these sources have grown steadily over the past three years (fiscal years 1988-89 to 1990-91), with Federal shared asset receipts up 377 percent and State and county funds increasing by 86 percent. During fiscal year 1990-91, DPS received $1,436,343 and expended

$1,115,807 of State and county RICO funds[1], and received $2,085,939 Federal shared assets funds, expending $1,174,020.

Greater sharing could be possible - It appears that DPS may not be receiving its "fair share" of RICO funds resulting from forfeiture under State laws. According to A.R.S. §13-2314, State and county anti-racketeering revolving funds may be used "for the benefit of the agency or agencies responsible for the enforcement action to the extent of their contribution." While this language appears to indicate that DPS should benefit from enforcement actions in which it is involved, no uniform policies have been established regarding how such "sharing" of seized assets, and the funds resulting from these assets, is to occur. Instead, county attorneys administering the revolving funds appear to have complete control over the way monies deposited into the funds are shared.

Currently, DPS has "sharing agreements" with the Attorney General's Office and several counties. These agreements provide that DPS will receive a share of enforcement actions in which it was essentially the sole enforcement authority (any task force actions are not considered in these agreements). In November 1990, the Attorney General's Office and DPS entered into an informal agreement outlining the sharing of assets (based on a formula) from the Attorney General's revolving fund. Similarly, county attorneys in three counties, Maricopa, Pima, and Pinal, maintain special accounts earmarked for DPS use in which they deposit a share of funds forfeited in their prosecution of cases in which DPS participated exclusively. The percentages deposited into those accounts vary from county to county based on informal unwritten agreements between DPS and the county attorneys. A fourth county, Cochise, also maintains a special account for DPS use, but only deposits funds acquired from sales of vehicles and other forfeited personal property. No seized cash is deposited into the account. With the exception of the Attorney General's

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(1) As of June 30, 1991, DPS had a county RICO balance of $840,259, which was maintained for DPS in sub-accounts (revolving funds) by four counties. Such funds are earmarked for DPS use, but DPS will not actually "receive" the benefit of this money until it requests funding for specific projects and the projects are approved by the applicable county attorney.

agreement, in which DPS's share is sent directly to DPS for use, DPS must request and receive approval to use DPS-earmarked county funds. Frequently, approval of these funds for projects outlined by DPS depends on the project significantly benefiting the particular county.

With regard to the other 11 counties, no sharing agreement exists, informal or otherwise. These counties do not directly share funds resulting from forfeitures with DPS, but rather the funds may be made available for DPS projects based on requests by DPS. Conditions for approval vary from county to county and projects most likely to be approved generally have to benefit the particular county. According to reports recently submitted to the Governor, the 11 counties having no agreements with DPS received $637,028 during the first quarter of 1991, expended $404,878 during the same time period, and had ending balances in their revolving funds of $3,660,248 as of March 31, 1991.(1)

DPS officials feel that more county anti-racketeering revolving fund monies could be shared with DPS; however, some counties have been reluctant to formalize such sharing. For example, several DPS employees and officials told us that in several of these counties, where DPS has clearly been materially involved in actions resulting in significant forfeitures, the Department has benefited little, if at all, especially in comparison to the effort and resources DPS provided. Forfeitures resulting from investigations carried out exclusively by DPS investigators now accrue entirely to the benefit of the counties, although DPS can subsequently request funds.

We contacted four county attorneys of counties where no sharing agreement exists to determine whether DPS could establish sharing agreements. Two commented that such an agreement could likely be developed. One county attorney was unsure and told us that DPS would have to pursue this issue with them; the other provided no position on the issue.

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(1) We are unable to provide more comprehensive information about county RICO receipts and expenditures because, although reporting of such information is statutorily required, reporting has not occurred consistently.

While DPS might be able to obtain additional RICO funds from the counties, we were unable to estimate the amount. Several factors including lack of tracking by DPS of actions in which its employees were involved and lack of detailed financial information concerning county revolving funds over time, precluded such an analysis.

Improved tracking - Improved tracking by DPS of actions in which it is involved may net more anti-racketeering funds for the Department. In September 1988, DPS's Inspections and Control Unit studied the Federal shared assets and RICO funds systems within the Department. The report concluded, in part, that a case or asset tracking system did not exist within the Department. Specifically, the investigators found that Department employees were not aware of what assets had been seized, the status of particular cases or asset forfeitures during processing, or the amount of the Department's share of particular actions. The report pointed out that the absence of such a system has caused it to rely on the accuracy of the various county, State, or Federal attorneys, and that in one county, the accuracy of such information was suspect.

Since the report, the Department has improved its management of RICO and forfeited assets. Special accounts were set up to record funds received for accounting purposes; Grants Administrator and RICO Coordinator positions were created to oversee the funds and requests for the use of such funds, and various agreements have been developed between DPS, the Attorney General's Office, and several counties regarding the sharing of funds resulting from forfeiture actions.

However, the Department has been slow in formalizing a tracking system. Although the 1988 Inspections and Control Unit report emphasized the need for a proper case tracking system and the Asset Forfeiture Section (AFS) was approved to track forfeiture cases, the section became only partially operational during March 1991. According to the AFS manager, currently the only permanent employee in the section, the documentation and tracking of all asset seizures and forfeitures in which DPS is, or was, involved is being undertaken to establish as clearly as possible DPS's stake in them and to help determine what DPS's appropriate share in the

forfeitures might be. Because of delays in staffing this section and inadequate record keeping in the past, the Department does not yet know the worth of all assets in the cases in which DPS officers were involved, or even all cases of involvement.

DPS Lacks Training Policies and Complete Training Records For Its Sworn Officers

The Highway Patrol lacks clear training guidelines defining how much and what types of training are needed. In addition, training records for Highway Patrol officers are incomplete.

DPS lacks clear training guidelines for Highway Patrol officers - In our review of the Highway Patrol Bureau, we found that the Bureau lacked guidelines as to the amount and type of advanced training to be provided to its officers. Minimum training requirements established by DPS and the Arizona Law Enforcement Officer Advisory Council (ALEOAC) require officers below the rank of Sergeant to receive 28 hours of training per year.(1) However, we found that Highway Patrol officers average 124 hours per year, which is over four times the minimum annual requirement for training hours.

Further audit work was conducted to determine what types of training were being received by the Highway Patrol officers. Based on review of four Highway Patrol district's training records, we found that some of the most common courses taken were Horizontal Gaze Nastigmus (HGN) (a course designed to help officers detect impaired drivers through special eye tests), Sig Sauer (training on newly issued weapons), Commercial Vehicle Safety, Advanced Officer Training, Firearms, and Unusual Occurrence Task Force. Further, we found that the hours spent by officers in these courses varied significantly. For example, hours spent in Advanced

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(1) All officers are annually required to have 8 hours of continuing training (officer wellness, statutory updates, the critical incident process, and post incident trauma review), 9 hours of firearms qualification shoots, and 8 hours of side-handle baton refresher training. In addition, officers below the rank of sergeant are to receive 8 hours of proficiency training every 3 years (which requires them to demonstrate an adequate skill level in a high liability skill such as defensive driving).

Officer Training ranged from 2 to 32, and hours spent in Commercial Vehicle Safety ranged from 7 to 55. Without training goals and guidelines, we could not determine whether the hours spent in these courses were appropriate, or whether all officers who needed such training were included.

Record keeping of training received is incomplete - Although the Advanced Training Division (ATD) of the Administration Bureau is charged with maintaining training records, ATD lacked complete and accurate information on the amount and types of training received by officers. The ATD is responsible for maintaining records of all sworn officer training. However, the information is not routinely being forwarded to ATD for inclusion in officer training records.

Lack of complete records was evident in our review of the Highway Patrol Bureau. During our review of the Highway Patrol Bureau, a review of Highway Patrol officers' training records was conducted to determine what type of training was being received. Reviewing a sample of 225 training records maintained by the ATD, we found that only 41 percent of the training hours recorded on the Department's automated time report were accounted for in ATD's records. In order to determine the training hours missing from ATD records, the district offices had to be contacted to check their own files.

AREA FOR FURTHER AUDIT WORK

Is the Use of Sworn Officers Rather Than Civilian Employees in Administrative and Technical Positions Cost Effective?

During the course of our audit, we identified a number of administrative and technical positions held by sworn officers that had the potential for being filled by civilians. Use of sworn officers in positions that could be filled by civilians is potentially more costly to the Department due to higher salaries, training requirements, individually assigned take-home vehicles, and associated fringe benefits (such as 20-year retirement and uniform allowances). Further, we found that sworn staff in administrative and technical positions frequently lacked background or experience in their present job's requirements.

Due to time constraints, we were unable to evaluate on a department-wide basis the feasibility of using civilians for non-enforcement related positions currently filled with sworn officers. However, in our review of the Administration Bureau, we noted several positions which could be filled with lesser paid civilians. For example, the Safety Programs Coordinator position is currently held by a Lieutenant at a pay grade of 22. However, the position had previously been held by a civilian at a pay grade of 19. As justification for reallocating the position to a Lieutenant, the Department noted that "the duties, responsibilities and requirements as to education, knowledge and ability are substantially similar for both classifications," and that reallocation of the position "will provide additional career development in the sworn ranks." We also found that the Fleet Manager position was, until recently, filled with a Captain at a pay grade of 23[1]; however, the position had previously been filled with an ASO III with a pay grade of 22. Further, during our review of the Highway Patrol Bureau, we found that the Bureau may be able to use Administrative Service Officer IIs in place of its 21 Administrative Sergeants at a savings of $11,000 each.

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(1) In May 1991, the position was filled with a Lieutenant at a pay grade of 22.

The need for further study of this area was also noted in the 1988 Arthur Young & Company review of the Department. The Arthur Young & Company report indicated that the Department should consider replacing some administrative or office assistant type positions with lesser paid sworn or civilian staff, although specific positions were not indicated.

Further audit work is needed to systematically identify on a department-wide basis all administrative and technical positions currently held by sworn officers, evaluate the duties of those positions, and determine whether a civilian would be able to fill the position at less cost to the Department.

SUNSET FACTORS

In accordance with A.R.S. §41-2354, the Legislature should consider the following 12 factors in determining whether the Department of Public Safety (DPS) should be continued or terminated.

1. Objective and purpose in establishing the agency

The Department of Public Safety was created for the purpose of developing and coordinating services for use by local law enforcement agencies in protecting public safety. This action was recommended in 1967 by the Governor's Crime Commission. Authorizing legislation was passed in 1968 and the Department became operational on July 1, 1969, pursuant to Executive Order 69-3. Enabling legislation dictated that the Department "shall formulate plans with a view to establishing modern services for prevention of crime, apprehension of violators, training of law enforcement personnel, and for the promotion of public safety."

The Department consolidated previously separate functions and responsibilities of several other agencies--the Highway Patrol, the Enforcement Division of the Department of Liquor Licenses and Control, and the Narcotics Division of the Arizona Department of Law.

2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated

DPS has generally been effective in meeting its overall objective and purpose. However, in each of our four audits of the Department, we have identified areas in which its efficiency and effectiveness could be improved. In this report on the Administration Bureau and the Director's Office, we recommend that the Department review its vehicle take-home policy for all employees. Our analysis shows that the Department has 250 vehicles which could have take-home status revoked because these vehicles are mainly used for commuting and not for job-related purposes. DPS should also review its fleet to identify unnecessary vehicles; our analysis found 211 vehicles that could be eliminated from DPS's total fleet (see Finding I, pages 5

through 14). We also recommend that DPS comply with State laws requiring specific markings on State-owned vehicles (see Finding II, pages 15 through 19). In addition, DPS needs to take steps to ensure a fair and objective system exists for distributing CJEF monies (see Finding III, pages 21 through 26).

In addition, our previous reports showed that improvements could also be made within other bureaus we reviewed. In some of these areas the Department was, at the time of the audit, evaluating a course of action or was in the process of implementing changes recommended in the audit report. The following are some of the areas where we determined efficiencies could be realized or greater effectiveness could be achieved:

- By establishing a fee of at least $10 for processing background checks, the Department could generate more than $600,000 annually. DPS is one of only seven states that has not established such a fee. The Department agrees with establishing a processing fee and plans to seek authorizing legislation. In addition, during the audit, DPS began charging for all requested copies of accident reports, a change we anticipate will generate an additional $108,000 annually (see Performance Audit Report No. 90-5).

- As a function of the Telecommunications Bureau, DPS needs to take steps to upgrade the completeness and reliability of important criminal history data which it is statutorily required to maintain. The integrity of the data is compromised for several reasons--arrest data is not always entered on the system in a timely manner, a majority of arrest records on the system are missing at least one disposition, and DPS does not routinely verify data entered into the system to ensure accuracy (see Performance Audit Report No. 90-5).

- Although DPS handles drug evidence worth millions of dollars, it does not provide adequate controls to prevent theft of these drugs. Drugs are not adequately packaged to detect or prevent theft, are not stored in secured and adequately restricted areas, and are not routinely inventoried. Further, witnesses do not consistently oversee the disposal of the drugs. In addition, DPS also has serious deficiencies regarding controls over the millions of dollars worth of drugs it releases for reverse sting operations (see Performance Audit Report No. 91-2).

- DPS's current air rescue operations (medical evacuation, or "medevac") are marginal due to equipment, training, and staffing inadequacies. While this is a valuable service, the Legislature needs to determine if it should continue to be provided. Some of DPS's helicopters are not adequately powered to perform missions

over much of the State's terrain, and the helicopters are frequently out of service for maintenance--an average of 31 percent of the time during 1990. Several factors exist favoring the discontinuance of this service; however, discontinuance could leave certain rural areas and persons lacking insurance underserved. If DPS is to continue providing medevac services, extensive funding is needed, particularly to upgrade two helicopters at a cost of approximately $4 to $8 million in addition to significantly increased maintenance and other operating costs. Several options to fund these expenses could be considered, including establishing a surcharge, assessing special taxes or user fees, or increasing General Fund appropriations (see Performance Audit Report No. 91-2).

- A new manpower model, currently in the early stages of implementation by DPS, appears to provide a sound basis for assessing Highway Patrol staffing needs. However, because the number of staff needed can vary greatly as a result of criteria and other information input into the model, several critical problems need to be addressed before the model can be used effectively for determining patrol staffing and accompanying budgetary needs. To help ensure adequate information is input into the model, DPS needs to (1) develop realistic service levels, including factors such as patrol frequency and response time, (2) institute uniform standards and definitions upon which to base its staffing requirements, and (3) develop a more reliable and complete data base. If these changes are made and the model successfully implemented, not only would it help DPS to better assess its manpower needs, but it could also eventually assist the Legislature in making budgetary decisions based on various service level options (see Performance Audit Report No. 91-5).

3. <u>The extent to which the agency has operated within the public interest</u>

The Department of Public Safety has operated in the public interest by providing a variety of important services to the general public, other law enforcement agencies and members of the criminal justice system, government officials, and other groups. Some of these services include the patrolling of State and Federal highways and freeways, enforcing traffic and criminal statutes, deterring importation and distribution of illegal narcotics, assisting other law enforcement groups in the investigation of criminal cases using scientific techniques for identification and evaluation of physical evidence, providing basic training for law enforcement officers through the Arizona Law Enforcement Training Academy, and promoting public safety programs by presenting information to local schools and civic groups.

The Department also cites a variety of special accomplishments in recent years. For example, DPS staff have participated in multiagency task forces directed at narcotics and organized crime. This has resulted in the department gaining assets from the seizure of assets from narcotics violators. As another example, the Highway Patrol Bureau's Violator Directed Patrol (VDP) program saturates high accident areas with patrol officers resulting in increased recoveries of stolen vehicles, felony arrests, and drug seizures while contributing to the reduction of traffic accidents. Other programs implemented by DPS in recent years include the Drug Recognition Expert (DRE) program, the Fatigued Driver Program, and the Drug Abuse Resistance Education (DARE) program. Additionally, the department has developed advances in forensic techniques such as DNA analysis.

4. <u>The extent to which rules and regulations promulgated by the agency are consistent with the legislative mandate</u>

According to the Department's Attorney General representative, DPS has promulgated rules for areas of the law as required, and those rules are consistent with State laws.

5. <u>The extent to which the agency has encouraged input from the public before promulgating its rules and regulations and the extent to which it has informed the public as to its actions and their expected impact on the public</u>

According to the Department's Deputy Director and Attorney General Representative, new rules have not been adopted nor have changes to existing rules occurred in recent years (fiscal years 1989-90 and 1990-91). New rules were proposed in 1990 in the area of tow truck regulation; however, the Governor's Regulatory Review Council twice rejected the proposed revisions. As a result, public meetings have not been held. However, when proposed rules or rule changes have been considered, as in the case of tow trucks, DPS advertises them and holds preliminary meetings with the general public and interested parties for input prior to submission to the Governor's Regulatory Review Council.

6. <u>The extent to which the agency has been able to investigate and resolve complaints within its jurisdiction</u>

DPS investigates complaints against certain professions and services. Complaint investigations against security guards, private investigators, and polygraph examiners are restricted by the Department's limited authority. Although not responsible for licensing tow trucks and school buses, DPS responds to certain complaints regarding these vehicles.

<u>Guards, Investigators, Polygraph Examiners</u> - During our audit of the Criminal Justice Support Bureau, we reviewed the complaint investigation files for all but one of the 55 written complaints filed against security guards, private investigators, and polygraph examiners during the 1990 calendar year.(1) Of the 54 files we reviewed, complaints were classified as follows:

Services or billing disputes	30%
Operating without a license or improper license	30%
Other miscellaneous	15%
Harassment, threats or endangerment	13%
Private business disputes	6%
Wage or other employer/employee disputes	6%

While the Licensing Section has improved its complaint investigations, it is constrained by limited authority and a lack of resources.

The Licensing Section is limited in its authority to take disciplinary action. The Section can either suspend or revoke the defendant's license, or at the other extreme, send a letter notifying the defendant of the violation. They have no authority to take intermediate actions. During 1990, the majority of the written complaints against licensees resulted in no substantive action being taken against the defendant.

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(1) One complaint involving a DPS Polygraph Examiner had been referred to DPS Internal Affairs and was unavailable for our review since it was an on-going criminal investigation.

The Licensing Section has even fewer available courses of action in pursuing complaints against persons who are operating unlicensed. While it is a misdemeanor to function as a Private Investigator or Security Guard without a license, the Licensing Section usually does not issue citations. According to the Section Commander, misdemeanors are given such a low priority by police and prosecutors that they would not be pursued.

In an attempt to gain compliance with statutes, the Licensing Section has resorted to handling unlicensed operations administratively. Because they are not authorized to issue cease and desist orders, the Licensing Section sends a letter to defendants advising them that they are in violation of statutes. However, if an unlicensed operation is extensive or a repeat offender, the Licensing Section can attempt to close it down through other means. For example, a case is currently being pursued through the Attorney General's Office that will be prosecuted as consumer fraud rather than DPS taking action.

The Licensing Section could improve its resolution of complaints by expanding the range of possible actions used to discipline offenders. California, Nevada, and New Mexico are western states with a broader range of disciplinary actions, including citations, fines, public or private reprimands, suspensions of varying length, and the requirement of remedial action.

<u>Tow trucks and school buses</u> - The Department also handles certain complaints regarding tow trucks and school buses, although it is not responsible for licensing these services. For both of these areas, DPS is responsible for conducting physical inspections of these vehicles to ensure they conform to requirements set forth in statute and rules concerning required structural characteristics and safety features. Following an acceptable inspection (vehicles are inspected when new, when ownership has been transferred, and then annually thereafter), DPS issues an operating permit (Permit of Authorization) which is affixed to the vehicle.

DPS receives few complaints about tow trucks and school buses. Most complaints DPS receives about tow trucks are fee related, and since DPS has no authority to act on this type of complaint, it refers complainants to other authorities for assistance. For other tow truck complaints, DPS will conduct an investigation, which can include interviewing involved parties and inspecting the vehicle. If the complaint is found to be valid, DPS may remove the permit from the vehicle until the vehicle or operating company meet requirements to DPS's satisfaction. School bus complaints, which generally question bus safety, are handled in a similar manner.

7. <u>The extent to which the Attorney General, or any other applicable agency of State government has the authority to prosecute actions under enabling legislation</u>

The Attorney General, County Attorneys, City Attorneys, and the U.S. Attorney General may all prosecute cases resulting from DPS enforcement activities. Prosecution of an enforcement action by any of these groups depends upon various factors, including the level and severity of the offense.

8. <u>The extent to which the agency has addressed deficiencies in its enabling statutes which prevent it from fulfilling its statutory mandates</u>

According to the Department's Attorney General representative, DPS has made appropriate efforts to address deficiencies in its statutes. In recent years, for example, the Department has pursued legislation pertaining to various portions of the agency. During the 1990 Legislative session, the Automated Fingerprint Identification System (AFIS) bill was passed (Chapter 304, SB 1001) which provided for a statewide data base of fingerprint information accessed by remote terminals. During the 1991 session, legislation passed relating to fingerprint fees for the Arizona Criminal Justice Information System (Chapter 152, HB 2445). The Department also introduced legislation which would have made traffic violations for speed a civil penalty rather than a criminal one; however, this legislation did not pass.

9. <u>The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the Sunset Law</u>

Based on our audit work, we have recommended that the Legislature consider the following changes to DPS statutes.

- Revise A.R.S. §41-1750 to allow DPS to establish a $10 fee for conducting other background checks of applicants for licenses and employment at the State level. Revenues not needed to support this processing should then be deposited into the General Fund (see Performance Audit Report No. 90-5).

- The Legislature needs to decide whether DPS should continue to provide medevac service, taking into consideration current operational deficiencies, the need for service, and the cost to bring the service up to an acceptable level. If the Legislature decides not to continue this service, it should amend A.R.S. §41-1834 to delete the provision for air medical service (see Performance Audit Report No. 91-2).

10. <u>The extent to which the termination of the agency would significantly harm the public health, safety, or welfare</u>

DPS's role is to protect the public and to assist other law enforcement agencies in protecting the public. Termination of the Department would undoubtedly harm the public's safety and welfare. DPS is needed to protect the public as it is the only agency responsible for traffic enforcement on the State's highway and freeway systems and the only agency with statewide enforcement powers in criminal investigations, such as narcotics, organized crime/racketeering, and liquor.

In addition to its enforcement responsibilities, the Department also helps to improve the protection of the public by providing assistance to local law enforcement agencies in a variety of ways, including scientific analysis, criminal information systems, statewide communications, investigative assistance, officer training and air rescue. Without this assistance, local agencies would either have to provide the services individually at potentially higher costs, or would lack such services.

The Department also has responsibility for specific regulatory functions. However, termination of several of these functions--the licensing and regulating of private investigators, security guards, and polygraph examiners--as currently operated would not appear to significantly harm the public health, safety, or welfare. For example, although DPS's Licensing Section conducts a background check to ensure that an applicant does not have a criminal record, Licensing has limited authority to pursue complaints filed against licensees (see Sunset Factor 6). All available complaints filed in 1990 associated with the licensing function were reviewed. None of the complaints filed against licensees were of a very serious nature and the resolution of the complaints indicated that other avenues of relief are available to complainants. Of the complaints investigated during 1990, the following resolutions occurred:

No evidence of wrongdoing or grounds for action	32%
Letter sent to defendant advising of violation	26%
Referral to civil action or bonding company	22%
Referral to other agency	7%
No response to complaint by defendant	6%
On-going investigation	4%
Request for more information (unobtained)	3%

During 1990, the Licensing Section also suspended two private investigators' licenses for a period of 30 and 60 days and revoked one security guard's license after being advised of his arrest and conviction. However, none of these actions were associated with a formal complaint.

In the area of polygraph examiners, the Department feels that consideration should be given to the deregulation of this profession by the State, as this industry is regulated by several Federal statutes, possibly making State regulation redundant.

11. <u>The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation should be appropriate</u>

The Licensing Section within DPS currently serves more of a registration function than a licensing function. The section is

responsible for the licensing of private investigators, security guards, and polygraph examiners. Fingerprinting and FBI clearance assures that an applicant does not have a criminal record, and private investigators and polygraph examiners are required to demonstrate a certain level of experience. However, private investigators and security guards are not tested prior to licensing and training requirements are minimal. In addition, the Licensing Section has limited authority to address complaints.

If the Legislature wants to continue the current status of DPS's regulatory operations for private investigators and security guards, then registration is appropriate. However, if the Legislature's intent is to have a true licensing function and stronger enforcement options, then the statutory authority of DPS will need to be reviewed and strengthened.

The Department has plans to propose legislation during the 1992 Legislative Session to make its private investigator and security guard regulatory programs more efficient. The intended changes will include new qualification standards, new suspension and revocation provisions, and new professional conduct standards, such as compliance with worker's compensation laws.

In addition to the above functions, the Department is also responsible for regulating tow trucks (through the issuing of permits, not licensing). According to the Department, elimination of its regulatory requirements for tow trucks would not be in the best interest of public safety. Rather, DPS believes that the content of tow truck rules and regulations are generally adequate, but expects to rewrite the rules in the near future to ensure conformance with current rule-making standards as outlined by the Governor's Regulatory Review Council. Due to time constraints, we were unable to study tow truck regulation by DPS.

12. <u>The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished</u>

Due to the nature of many of the duties performed by DPS, use of private sector contractors appears to be inappropriate or unavailable for many functions. For example, according to DPS, existing State and Federal laws and regulations prohibit private contractors from collecting, sorting, or disseminating criminal history record information. In other areas, DPS policy prohibits the use of private contractors in performing other functions. For example, use of private sector maintenance personnel for actions requiring access to radio equipment on remote DPS sites is not authorized by DPS policy due to security considerations relating to law enforcement communications.

DPS has, however, used private contractors in some areas where the State may not have adequate human resources or technical expertise. Some of these areas include:

- Maintenance of the Phoenix Private Branch Exchange (PBX)--this is the telephone switch which provides the capability for routing calls, interoffice dialing, and intercoms.
- Most vehicle maintenance
- Road and weather information service
- Leasing and maintenance of pager equipment
- Psychological services and medical services for job applicants and employees
- Facility maintenance such as janitorial service, groundskeeping, and repairs
- Certain training programs
- Maintenance of rotary and fixed wing aircraft, and repair of navigational components in the aircraft

ARIZONA DEPARTMENT OF PUBLIC SAFETY

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FIFE SYMINGTON
GOVERNOR

F. J. "RICK" AYARS
DIRECTOR

September 25, 1991

Douglas R. Norton
Auditor General
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Phoenix, Arizona 85004

Dear Mr. Norton:

The revised preliminary draft of the performance audit report of this agency's Administration Bureau and Office of the Director has been reviewed. A written response to that report is hereby provided as requested in your September 18, 1991 transmittal letter.

Thank you for the opportunity to provide further comment on this report.

Very truly yours,

F. J. "RICK" AYARS, COLONEL
Director

RANDY A. STERNA, LT. COLONEL
Deputy Director

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Attachment

RESPONSE TO THE PERFORMANCE AUDIT

OF THE

ADMINISTRATION BUREAU AND OFFICE OF THE DIRECTOR

ARIZONA DEPARTMENT OF PUBLIC SAFETY

INTRODUCTION

This response answers the Auditor General's revised preliminary report, transmitted September 18, 1991, on the above cited performance audit conducted as part of the Sunset Review process pursuant to A.R.S. §41-2351 through §41-2379.

We were disappointed that the revised preliminary report did not recognize progress the Department has made in correcting previously noted deficiencies. We were even more disappointed by the scant changes in the draft report, which failed to reflect the Director's position on various matters of substance.

The central issue is departmental effectiveness -- the degree to which we can perform our mission, maintain a decent reputation, and be able to recruit and retain qualified employees. This requires properly trained and equipped personnel, a visible presence, a constant state of readiness and the logistical resources needed to serve as a state-level law enforcement agency, whether in metropolitan areas or remote stations throughout Arizona.

The Department of Public Safety was given a statutorily unique purpose that distinguishes it from all other law enforcement agencies in Arizona and differentiates it in character from other State agencies. Accordingly, the Department's response takes into consideration such unique factors as the dual nature of its mission. One aspect of the mission is direct responsibility for specific enforcement and regulatory functions; the other is responsibility for providing support functions (investigative, enforcement, technical and operational) to local police and other criminal justice agencies in the State. This combination often creates unusually high peaks in the demands upon field operations, at which times the Department becomes very reliant upon staff officers and reserves to cover shifts.

Arizona DPS also is unique because the State's plans for responding to nuclear, natural and hazardous material disasters identify the Department as the lead agency to contact. Our crucial role in these plans is based upon our ability to quickly and effectively respond in the manner for which we are currently equipped and deployed.

Further, our philosophy, organizational structure and management systems reflect a blending of para-military and contemporary business strategies. We have a mixture of about 61 percent commis-

sioned officers and 39 percent civilian employees, operating within a work-culture that esteems integrity, unity, and courteous vigilance.

For these and other reasons which have been furnished to the auditors, simple comparisons between DPS and other police agencies or other state agencies are inappropriate. Likewise, commonly used guidelines for efficiency often conflict with the public-safety necessity of prompt responses to life or death emergencies, state-wide communications, and an integrated and mobile command and control structure.

These factors need to be considered when evaluating the performance audit report.

Also note that the Department's response takes the approach of an exception report. The absence of responses to auditors' opinions indicates that DPS has either elected to acknowledge the auditors' position or to concur therewith.

FINDING I

DPS SHOULD REVIEW ITS VEHICLE TAKE-HOME POLICY FOR ALL EMPLOYEES. IN ADDITION, DPS SHOULD ELIMINATE UNNECESSARY VEHICLES FROM ITS FLEET.

RECOMMENDATIONS

1. DPS should review the vehicle take-home status for all of its take-home vehicles. Based on our review, DPS should be able to revoke take-home privileges for at least 250 employees.

2. DPS's Fleet Management Section should monitor and evaluate the need for vehicles on an ongoing basis, and examine the potential for pooling or eliminating vehicles which do not meet utilization standards. Based on our analysis, DPS should reduce its overall fleet by at least 213 vehicles.

3. DPS should begin reporting benefits for take-home vehicles on employee tax forms as required by Federal law.

4. DPS should consider fuel efficiency in its vehicle procurement decisions.

RESPONSES

The Arizona Department of Public Safety (DPS) will continue its long-standing management practice of reviewing vehicle use and fleet composition. We will ensure that the Department's capability for rapidly and effectively responding to unforeseen emergencies is maintained at high levels of readiness, and that vehicles not contributing to that posture are routinely identified and expeditiously eliminated from the fleet.

The public's rightful expectation of prompt and professional delivery of police services, when and wherever needed, cannot be justifiably lessened based solely on an interest in administrative efficiency. Policy decisions must also take into account the potential impacts that might be presented by a failure to act in an expeditious manner. A less than full readiness to effectively respond to an unanticipated demand for law enforcement services, just because equipment is not readily available, is simply not acceptable. Such irresponsibility would place the public at unnecessary risk of life and property loss. Additionally, it would increase the Department's risk of liability for adverse consequences of inaction because officers were unable or slow to respond.

The concept of an appropriate police response in law enforcement contingencies involves the combination of an officer, equipment, communications and transportation as one "unit." Units are generally dispatched by police departments to respond to a wide variety of calls for service occurring within a measurable service area or "beat." Often, the degree of the performance of service is measurable in some way, e.g., an arrest or a clearance.

However, as noted earlier, the mission of the Arizona DPS is unique among state agencies and local police departments. Unlike municipal police and local sheriff departments, the Arizona DPS has no narrowly defined customer population or service area. Our mission requires a mobile and vigilant presence throughout the state on a 24-hour basis each day. Prudent management of the DPS vehicle fleet and the assignment of take-home vehicles takes into account the seriousness of the consequences of not being able to carry out timely operations upon which human life or justice often hang in the balance.

When call-outs occur, employees respond directly to the scene, already equipped for action. This saves valuable time, when time is of the essence. At a traffic accident scene, the victims and on-coming motorists are vulnerable until an officer arrives and establishes traffic control and/or provides emergency medical assistance. Air Rescue units regularly save lives that would be lost due to trauma or other time-related hazards. Valuable evidence is lost if there are delays in responding to a crime scene, etc. Equally important in such instances is the ability to communicate while en route -- to confirm location and estimated arrival, to get further information, to make tactical plans and to coordinate with other field units, whether DPS or another police agency or another emergency service.

In addition to having specific functional responsibilities assigned by legislative mandate, DPS officers are frequently called upon to augment the resources of other jurisdictions. The same is true of certain civilian positions throughout the department. This includes planned assignments, such as crowd control or additional traffic control requested by other agencies. For example, DPS assists at Colorado River communities on major holidays, rodeo week in Payson, Page and Prescott, and the Navajo and Apache Indian Nations for holidays and special celebrations.

It is the Department's philosophy, tried and proven by experience, that these resources also be positioned and ready for major contingencies that can hit at any time. When such events occur, a prompt Arizona DPS response can be a crucial determinant in the outcome. Historically, DPS has responded to a number of events of significant magnitude. Among many examples that might be cited throughout the years are:

June 1970	Dust storm accident near Casa Grande involving 20 vehicles; eight deaths and 27 persons injured
September 1970	Labor Day storms killing 11, including a DPS officer
January 1971	Riots at the U of A campus requiring 9,400 man-hours in four days of assistance to local police

Summer 1972	Wide-spread flooding and traffic interruption
July 1973	Burning railroad tank car explosion near Kingman, killing 12, including a DPS officer
Summer 1973	Riots at Arizona State prison result in murder of two guards; DPS regains control and conducts shakedown and homicide investigation
Winter 1973	Winter storms dumping 200 inches of snow in Flagstaff during a three-month period; repeated road closures
July 1978	Hunt for and capture of prison escapees Gary Tyson and Randy Greenwalt who murdered six people during a 13-day rampage
Winter 1978-Spring 1979	Flooding in central Arizona closing Interstate routes and creating massive traffic problems

More recent examples include maintaining law and order in Morenci and in Miracle Valley; extended traffic control around the "Dude" fire along the Mogollon Rim; planning to assist the Pinal County Sheriff and Navajo Nation police departments at their request due to threats of violence; as well as assisting with security of the Palo Verde Nuclear Generating Station; and controlling demonstrations by "Skin Head" radicals at the Capitol Plaza, to name but a few.

In addition to being prepared and available for contingencies, administrative staff sergeants and officers frequently augment patrol and investigative resources in the conduct of special enforcement details, such as roadblocks, responding to the recent rash of freeway shootings, emergency traffic control, criminal high intensity patrol, gang reduction and other intervention programs. Highway Patrol and Criminal Investigation Bureau policies require officers in staff positions to actively participate in enforcement duties. Additionally, staff officers are on call as members of the Unusual Occurrence Control Task Force.

In the Highway Patrol Bureau, administrative sergeants and officers perform regular patrol duties at least one day a week. A similar policy is in place within the Criminal Investigation Bureau. There, staff personnel also provide backup manpower to support search and arrest warrant service, criminal surveillance and major criminal investigations.

Vehicles assigned to officers within the Highway Patrol are equipped to provide assistance, protection and service to the public in law enforcement situations which are encountered on a daily basis. The same is true of vehicles assigned to on-call officers and civilians in other areas of the Department.

There are other intangibles that are not measurable, such as the affect of the mere presence of a police officer, or the probability that illegal and dangerous acts will be observed by a plain-clothes officer who is equally prepared to take enforcement action. Regardless of individual assignment, the fact that DPS officers in marked and unmarked vehicles routinely transit major metropolitan and sparsely-populated rural areas, and are prepared to respond to contingencies, is a known quantity which helps with crime prevention and affords supplemental emergency service. This is particularly important in those areas where local public safety resources are inadequate to meet the need.

With reference to Recommendation #3 under this section of the report, we are concerned that some readers will be mislead. For the record, there are only 21 past or present employees who are not exempt from the IRS fringe-benefit reporting requirement for assigned cars.

FINDING II

DPS VEHICLES ARE INAPPROPRIATELY MARKED

RECOMMENDATIONS

1. DPS should comply with A.R.S. §28-1441 by properly marking its vehicles on each side of the body of the car.

2. DPS should reduce the use of unmarked vehicles for non-undercover work.

3. DPS should comply with A.R.S. §28-1441 by applying annually to the Governor for exemption for all unmarked vehicles.

RESPONSES

The Department believes its present marking and exemption practices comply with A.R.S. §28-1411 and 1443.

Careful review of A.R.S. §28-1411 discloses that DPS vehicle markings meet statutory intent. These markings state, in one-inch high letters on the sides of the vehicles: "STATE OF ARIZONA - DEPARTMENT OF PUBLIC SAFETY" and "FOR OFFICIAL USE ONLY."

In 1987, the Governor, in accordance with A.R.S. §28-1443, gave written authority to the Director of the Department of Public Safety for the exempting of unmarked DPS vehicles. Review of pertinent Arizona case law, cited to the auditors in our first draft response, further upholds the position that delegation of this "ministerial" task is proper and appropriate.

FINDING III

THE DEPARTMENT SHOULD REVISE ITS PROCESS FOR ALLOCATING CRIMINAL JUSTICE ENHANCEMENT FUNDS TO ENSURE OBJECTIVITY AND FAIRNESS

RECOMMENDATION

1. DPS should revise its process of reviewing and approving applications requesting CJEF monies to provide for greater objectivity and fairness. Specifically, DPS should consider:

   - developing specific written criteria defining how competing projects will be evaluated and funded, and how approved projects will be prioritized for funding purposes,
   - setting specific due dates for applications to allow for clearer and more timely prioritization of projects requesting limited CJEF funds,
   - using a panel for the review and evaluation of the applications, and
   - ensuring that project files contain adequate documentation justifying decisions.

RESPONSE

The Department of Public Safety has always administered its allocation of CJEF funds with freedom from prejudice and equal consideration and opportunity for all. Fairness and objectivity are DPS traits applied throughout its operations. However, the Department agrees that fair and objective processes have not always been documented in the administration of CJEF.

DPS will consider developing specific written criteria for evaluating and ranking competing projects. Additionally, the application packages will be revised to further identify program and funding priorities beyond the basic priorities defined by statute. However, no one has developed a process for scoring intangibles, such as the identification and value of burglaries prevented or enhancing a capacity to respond to missing children or street crimes.

Setting specific due dates will be considered. However, doing so diminishes the responsiveness of the fund itself and introduces unnecessary delays. The current system can accommodate unpredictable circumstances (such as the Temple homicides and its $100,000 utilization of CJEF) and still adjust to allow for the next contingency.

Applying a twelve or even six month funding delay (the result of establishing one or two annual due dates) could enhance the "appearance" of fairness, but is neither responsive to the public, law enforcement agencies or the fund. This was evidenced by large

balances held by other agencies which administered their allocations of CJEF in that manner. A significant portion of those unused funds were transferred to the general fund instead of being used for their intended purpose.

DPS will study the panel concept for recommendations as an alternative to the existing tier evaluation process.

Regarding comments about MDTs -- mobile digital terminals give officers the capability to query the Arizona Criminal Justice Information System from their location in the field. This allows unrestricted identification of wanted suspects and stolen vehicles without competition for air time with a dispatcher or being denied air time due to ongoing emergencies at other locations. This increases the likelihood of apprehension and recovery while diminishing threats to officer safety. Highway Patrol officers in one year made 12,300 warrant or nontraffic arrests. Coinciding with the implementation of MDTs was an increase in stolen vehicle recoveries, which one year totaled nearly 2,000.

At the time DPS funded the MDTs, they were already recognized by the law enforcement community as valuable enforcement tools and were already being funded by anti-racketeering funds because of their value in combatting street crimes. For this acquisition, DPS did not go through the reapproval process. CJEF accounted for only 45 percent of DPS' MDT project.

With regard to the four agencies that appeared to receive less than they requested -- elements of some requests did not meet statutory criteria, some were multi-phased (and so funded), while some agencies felt, from shared experience, they could achieve their objectives with fewer funds. The audit disregarded the verbal negotiation aspect of the grant review and approval process.

Regarding funding for FLIR -- since the FLIR's introduction to DPS, five children who were lost in Arizona's wilderness areas have been located and saved directly due to the capability of this technology.

Regarding funding for a DPS Lab technician - it was established that the Lab Tech position was more appropriately funded from CJEF rather than RICO for the following reasons:

1. CJEF funds are for enhancement of the Criminal Justice System. The Lab Tech position was being requested to assist the overall criminal justice community, rather than DPS specifically.

2. RICO funds are to recover the cost of investigation and prosecution. Since this position was not designated for DPS investigations, it was inappropriate to claim it as a DPS investigative cost.

3. An earlier CJEF award was dedicated to enhancing the Demand Reduction program in Maricopa County: zero tolerance on drug cases. This resulted in hundreds of additional drug analyses required of the Phoenix lab. The Grant Administrator determined that this increase, resulting from a CJEF program, would be most appropriately addressed by enhancing the lab support through CJEF. It was continuing CJEF support for a CJEF sponsored program. This is also a basic accounting function, associating costs to expenditures.

The speed with which this project was approved resulted only because the Demand Reduction CJEF program was already approved, ongoing, and impacting other agencies. This was merely an "enhancement" of that project and could have easily been justified as a variance to the Demand Reduction program.

FINDING IV

DPS NEEDS BETTER CONTROL OVER VEHICLE FUEL

RECOMMENDATION

In order to maintain better control and improve record keeping over fuel usage, DPS should explore alternative funding sources to implement an automated fuel dispensing and record-keeping system.

RESPONSE

The Department has previously sought and will continue to seek funds from any and all sources for the acquisition of an automated fuel dispensing and record-keeping system.

OTHER PERTINENT INFORMATION

STATEMENTS

1. (The) potential exists for DPS to receive more funds from (asset) forfeitures....greater sharing could be possible.

2. DPS lacks training policies and complete training records for its sworn officers.

RESPONSES

1. We are disappointed that the DPS response to this comment in the preliminary audit report was not incorporated into the revised audit report. It is repeated here to insure its inclusion in the public record:

   The Department could take steps to increase its share of RICO funds from county accounts. However, the issue is highly political. Many of the smaller and economically depressed counties have come to depend on DPS seized assets. These assets are used to fund task force operations within the counties. DPS was created to assist local jurisdictions and DPS seized assets afford the counties the ability to further their enforcement efforts. Without this type of support, many of the joint task forces would have to reduce personnel or cease to exist.

2. Again, our previous response is repeated here to ensure that the DPS perspective is presented:

   The audit report correctly states that minimum training requirements are established by the Arizona Law Enforcement Officers' Advisory Council (ALEOAC). That is a "clear training guideline." In the past three years, every DPS officer subject to the rule has met or exceeded the mandated training. ALEOAC requirements are established by administrative rule and were not intended to set norms or maximums.

   Training and development of human resources has been a consistent policy and practice at DPS. Training objectives include: equipping and enabling employees to be more effective and efficient in their jobs; reducing health and safety risks/costs; updating employees' knowledge of policy, procedures, case law and state and federal laws; developing and ensuring proficiency and readiness; etc.

   Beyond mandated training, there is no pre-set curriculum. Some training is ordered Department-wide, some by Bureau, by District or by Unit. Otherwise, time spent in training varies considerably because training needs vary by individual and by assignment. Training needs also change over time and because DPS members frequently change assignments. Open-enrollment training programs are published, and supervisors meet with

their employees to develop individual training plans. We feel that written training guidelines should not supplant supervisory and command judgments in such areas.

Centralized training records are not complete, but actions have been underway for some time to obtain and enter the additional information. Nevertheless, the most vital records are in place, such as mandatory training for recertification and basic proficiency training results.

It should also be noted that it is inappropriate to expect training hours recorded on the Department's automated time report to be accounted for in ATD's records because much of the authorized training is arranged by operational supervisors and commanders or is self-initiated by officers. Records are not kept of such informal training, but officers report these training hours as a time accounting requirement of the deployment system.

AREA FOR FURTHER AUDIT WORK

STATEMENTS

1. We identified a number of administrative and technical positions held by sworn officers that had the potential for being filled by civilians.

2. We found that sworn staff in administrative and technical positions frequently lacked background or experience in their present job's requirements.

RESPONSES

1. The Department has periodically examined job duties of various positions when considering the costs and benefits of alternatives to assigning commissioned officers to support and technical positions. This has resulted in the civilianization or privatization of various functions and positions in all bureaus. As noted in the Introduction, civilians currently represent almost 40 percent of our work force; this rate is well above average for law enforcement agencies.

   In our approach to alternative resource studies, significant weight is given to cost savings, but not to the exclusion of other important factors. For example, as explained under our response to Finding I, page 5, officers in administrative and managerial assignments serve as "reinforcements" and "rear guard" during planned, high demand events (such as sobriety checkpoints, holiday patrols or inventorying large evidence seizures). During unplanned major incidents, deployment of these experienced officers is absolutely vital. Civilian employees cannot switch roles and provide the same services, but civilians are used whenever the situation allows.

   We have also found in some previous position audits that anticipated cost savings were marginal. In a few cases, civilianization would even have resulted in cost increases. Recently, we provided specific responses to specific positions cited in the preliminary performance audit report, noting that no changes were warranted in those positions.

2. As explained in the Introduction to the Department's response, DPS is best characterized as a law enforcement agency, rather than as an administrative agency. This difference is demonstrated in our statutory mandates, the prevailing para-military management philosophy and standard operating procedures, as well as in the work-culture.

   Apparently due to time constraints, the auditors did not recognize the manifestations of how this makes DPS different from other agencies. Examples of misunderstandings include concerns that commissioned personnel spend too much time in

training, as well as concerns that personnel in administrative and technical positions lack qualifications for their job assignments.

Readers of the audit report should consider that the commissioned officer service at DPS is a closed career track. Officers begin as cadets at the Arizona Law Enforcement Training Academy. All commissioned positions, from Officer I to Lt. Colonel, are filled from within. In the course of their careers and because of our state-wide coverage, most officers physically relocate a number of times. They also change job assignments and transfer between bureaus and divisions many times. Such job changes and the associated classroom and on-the-job training opportunities are essential elements in the Department's employee and leadership development program and philosophy.

Through this rotating assignment program, commissioned personnel are developed both as generalists and specialists. When officers are transferred from operational to administrative assignments, any temporary "background or experience" gaps they may have are offset by their ability to help civilian personnel understand the realities of police operations and thereby avoid bureaucratically sound but operationally wrong decisions.

Additionally, such assignments are intended to broaden officers' knowledge of other departmental functions, including support services. This intentional mixing of sworn and civilian personnel has been essential in building a working relationship of mutual understanding and support.

The success of this long-standing philosophy can be illustrated in many ways. For example, DPS enjoys an outstanding reputation within Arizona and nationally; we are asked by elected officials to investigate complaints about local police agencies; our officers are asked to serve as interim heads of local police agencies; and the latest management techniques are employed by commissioned supervisors and command-level officers throughout the Department.

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We appreciate the opportunity to review and comment on this revised draft of the performance audit report. Please give favorable consideration to our response.