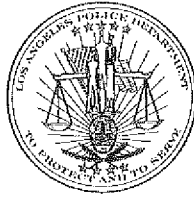


LOS ANGELES POLICE DEPARTMENT



CHARLIE BECK
Chief of Police

P. O. Box 30158
Los Angeles, Calif. 90030
Telephone: (213) 486-7060
TDD: (877) 275-5273
Ref #: 1.10

ANTONIO R. VILLARAIGOSA
Mayor

May 3, 2012

The Honorable City Council
c/o City Clerk
200 North Spring Street, Room 395
Los Angeles, California 90012

Attention: Mr. Adam Lid, Clerk for the Audits and Governmental Efficiency Committee

Dear Honorable Members,

Please find enclosed a copy of the Los Angeles Police Department's response to the Controller's Fuel Audit. We understand that the Audits and Governmental Efficiency Committee will consider this item at its meeting on May 8, 2012. We are requesting that the enclosed document be made available for the Committee's consideration.

If you have questions or require additional information, you may contact me at (213) 486-7060.

Very truly yours,

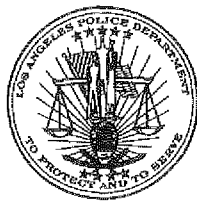
CHARLIE BECK
Chief of Police

A handwritten signature in cursive script that reads "Rhonda L. Sims-Lewis".

RHONDA L. SIMS-LEWIS, Police Administrator
Commanding Officer
Administrative Services Bureau

Enclosure

LOS ANGELES POLICE DEPARTMENT



CHARLIE BECK
Chief of Police

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Los Angeles, Calif. 90030
Telephone: (213) 486-0150
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Ref #: 1.10

ANTONIO R. VILLARAIGOSA
Mayor

April 26, 2012

The Honorable Wendy Greuel
City Controller, City of Los Angeles
200 North Main Street, Room 300
Los Angeles, California 90012

Attention: Mr. Farid Saffar, Director of Auditing

Dear Ms. Greuel:

Enclosed are the Los Angeles Police Department's (LAPD) responses to the recommendations contained in the Citywide Fuel Audit. Motor Transport Division is committed to improving the efficiencies regarding the tracking of fuel usage by LAPD employees. The LAPD will continue to work closely with the Department of General Services in implementing the audit recommendations.

Should you have any questions or require additional information, please contact Police Administrator Rhonda Sims-Lewis, Commanding Officer, Administrative Services Bureau, at (213) 486-7060.

Very truly yours,


CHARLIE BECK
Chief of Police

Enclosure

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
<p>1. GSD should convene regular meetings with departmental representatives of fuel/fleet managers to work towards cooperative solutions to better manage the City's fuel use (i.e., a "Fuel Task Force"). This could include developing general guidelines for controlling and monitoring fuel use, and assisting departments in using automated tools that are available, such as developing exception reports. Such guidelines and other information that could support departments in these efforts should be made available on GSD's website.</p>	<p>LAPD is currently represented at the bi-weekly Fuel Management meetings coordinated by GSD. Issues regarding the EJ Ward System and the special needs of LAPD fuel usage are discussed in detail.</p>	<p>If a new "Fuel Task Force" Committee is initiated, LAPD will participate and work with our City partners in the development of fuel management and monitoring enhancements.</p>
<p>2. The Mayor should direct Departmental management to establish policies and procedures for controlling and monitoring their fuel use, based on GSD-developed guidelines.</p>	<p>LAPD currently has policies governing fuel site dispensing and monitoring, review and investigation of error reports, bypass, site card (master card) and Voyager card monitoring procedures.</p>	<p>LAPD will review GSD developed guidelines and implement and ensure consistency where applicable.</p>
<p>3. LAPD and GSD should work with the fuel system vendor to restrict the use of the keypad function to emergency vehicles and by requiring employee/badge numbers to be entered when fueling these vehicles.</p>	<p>LAPD is currently working with GSD and EJ Ward to implement the addition of employee serial numbers as an entry requirement when using the manual (override) option.</p>	<p>LAPD will continue to work with EJ Ward and GSD in implementing this security enhancement. If funding is available, LAPD hopes to implement this enhancement within the next 90 days.</p>

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
<p>4. The Mayor should direct management of user departments to implement adequate monitoring procedures over fuel use. This should include monitoring the following high-risk transactions:</p> <ul style="list-style-type: none"> a) Bypass b) Keypad Entry (for LAPD) c) Master Card d) Negative Odometer e) High Mileage f) After Hour and Weekend g) High Volume 	<p>LAPD is currently monitoring each of the high-risk transactions. The only transaction that has little value for our Department is "after hours and weekends," in light of the fact that LAPD is a 24/7 operation. LAPD monitors the negative odometer transactions in the Fleet Management System as zero meter advancement.</p>	<p>LAPD will continue to monitor all applicable high-risk transactions with the assistance of MTD's internal Fuel Management System, reports generated by the EJ Ward Fuel Management System and the Voyager Monthly Account Summary and Invoice Report.</p>
<p>5. The Mayor should direct management of user departments with responsibility over fuel sites to ensure that each fuel site maintain logs to record fuel dispensed using the bypass mode and master cards. These logs should be reconciled, at least on a sample basis, to data from the Fuel Automation Report Center, and departmental managers should review these logs to identify any potential problems.</p>	<p>LAPD has had a long-standing practice of documenting these kinds of unusual occurrences involving fuel usage on logs which we refer to as "Fuel Sheets." In the past, MTD's staff only recorded bypass or master card transactions at our fuel sites that were initiated by our staff. However, because the system has often been placed in bypass mode by vendors contracted to repair our fuel sites, we agree that we should also record outside party instances of unusual occurrences that we become aware of.</p>	<p>MTD has requested that GSD give prior notice when they or a contractor acting on their behalf is assigned to repair or service an LAPD fuel site. Upon prior notice, MTD will document bypass or master card use and ensure that the fuel sites are restored to normal operating mode as soon as practical.</p>
<p>6. The Mayor should direct management of user departments with responsibility over fuel sites to establish procedures prohibiting the use of master cards at sites other than their assigned sites.</p>	<p>LAPD employees in general, are <u>not</u> assigned master cards. LAPD has a total of 22 master cards that are assigned only to MTD fuel site supervisors, to be used only when the EJ Ward, VIT and manual systems are offline or malfunctioning.</p>	<p>MTD will continue to monitor EJ Ward reports to ensure that the policy is being adhered to.</p>

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
<p>7. GSD should explore the feasibility of programming the EJ Ward System so that master cards can only be used at sites they are assigned to.</p>	<p>LAPD agrees with this recommendation.</p>	<p>No action required</p>
<p>8. GSD, in coordination with user departments, should determine why a high number of negative odometer and high mileage transactions are occurring.</p>	<p>LAPD monitors these high risk transactions via our internal Fuel Management System's Error Reports. When unusual occurrences are identified an investigation is required.</p>	<p>No further action</p>
<p>9. GSD should provide City departments with Voyager statements or electronic files of Voyager Card transactions for their review, along with the directive and suggested guidelines for departmental management to monitor purchase transactions to ensure appropriate use.</p>	<p>LAPD currently receives monthly reports and has direct access to the daily Voyager Transactions through the electronic billing system. We are currently monitoring our employee usage and are investigating and documenting any unusual occurrences.</p>	<p>No further action</p>
<p>10. GSD should remind City departments that utilize Voyager cards of the City's policy regarding refueling at City sites, and how to locate maps and hours of operation of the City fuel sites. Suggestions for how best to strengthen internal departmental procedures regarding this issue is an example of an item to be discussed at regular Fuel Task Force meetings, referred to in Recommendation #1.</p>	<p>Currently, LAPD employees are provided Voyager card guidelines each time they check out a card as they are included on the Fuel Credit Expenditure Report required to be completed as documentation for each Voyager card use. The report requires Commanding Officer approval.</p>	<p>No further action</p>

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
SECTION II. FUEL CARD CONTROLS		
11. The Mayor should direct departments to conduct regular department-wide physical inventories of fuel cards and to reconcile the inventories to GSD's records. Both the physical inventory and reconciliation should be documented.	LAPD agrees with this recommendation. Annual audits will be conducted and formally documented.	Entities holding Voyager cards for distribution to department employees will be audited annually. The formal documentation resulting from the first annual audits will be available for review as of May 2012.
12. LACC management should request GSD to transfer all cards used by security staff physically located at LACC to GSD's fuel card inventory.	Not applicable	No action required
13. In future fuel card reports, GSD management should annotate the reports to indicate that LAFD and LAPD administer their own Voyager programs and that the reported figures on GSD's report only include cards used for helicopters.	Not applicable	No action required
14. RAP and LAFD management should ensure that master cards are maintained in secure locations, with access restricted to only authorized individuals.	LAPD master cards assigned to MTD fuel site managers are stored in locked locations and only accessible by the fuel site manager.	LAPD will ensure compliance with this policy via the annual audit.

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
SECTION III. SYSTEM RELIABILITY		
<p>15. GSD management should develop solutions to resolve continuing system problems, which could include penalizing the vendor for inaccurate data that was accepted and processed by the System, exploring the feasibility of replacing the current system, and ensuring that proper tests are conducted prior to purchasing/implementing a system.</p>	<p>LAPD is currently working with GSD and vendors to identify new Fuel Management System requirements and specifications. MTD staff will continue to work with our City partners via the Fuel Task Force.</p>	<p>MTD staff will participate as a member of GSD's Fuel Task Force.</p>
<p>16. GSD management should regularly monitor fuel transactions to identify instances where pre-established transaction limits do not appear to be functioning correctly.</p>	<p>Not applicable</p>	<p>No action required</p>
<p>17. The Mayor should direct departments with tankers and above ground tanks to maintain logs to record fuel dispensed from the tankers. Information recorded should include the date, quantity dispensed, and the vehicle ID or equipment number. Management at departments should periodically review the logs to determine whether they are being completed properly and that the fuel is being used for appropriate City purposes.</p>	<p>LAPD has one above-ground tank at the EVOC Training Facility in the San Fernando Valley. Fuel transactions are currently being manually logged.</p>	<p>MTD's monitoring of the above-ground tank logs will be reviewed and documented via the annual audit.</p>

Controller's Fuel Audit Recommendations

Recommendations	Response	Follow-up Action Items
SECTION IV. VEHICLE USE MONITORING		
<p>18. The Mayor should direct departments who have pool vehicles to establish formal policies and procedures related to checking-out vehicles and maintaining trip logs. These policies and procedures should address the types of vehicles covered by the policies/procedures.</p>	<p>LAPD currently has a formal policy, procedures and required documentation in place as it relates to checking-out pool vehicles.</p>	<p>No further action</p>
<p>19. The Mayor should direct departmental management to regularly monitor for compliance with the department's vehicle check-out and trip log maintenance procedures.</p>	<p>LAPD's MTD, in addition to every area/entity Commanding Officer, is responsible for ensuring that documentation is properly completed, authorized and maintained.</p>	<p>Review of the Department's compliance with pool vehicle check-out procedures will be monitored and documented via annual audits.</p>