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MIKE FOLMER
STATE SENATOR



Senate of Pennsylvania
48TH SENATORIAL DISTRICT

COMMITTEES

STATE GOVERNMENT, VICE CHAIRMAN
LABOR AND INDUSTRY
EDUCATION
AGRICULTURE
AGING AND YOUTH

SENATE REPUBLICAN POLICY
COMMITTEE

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January 27, 2009

Donald L. Patterson
Inspector General
101 South Second Street
Harrisburg, PA 17101-1303

Dear General Patterson:

Enclosed is a copy of a special report recently released by Auditor General Jack Wagner that details a number of failings by the Department of General Services in managing the state-owned vehicle fleet.

While I applaud the work of the Auditor General, a number of questions remain. For this reason, I ask that you investigate whether executive branch employees who are granted the use of a state car for any period beginning January 1, 2005 through January 5, 2009 have remitted all owed taxes.

According to the Auditor General's report, "DGS did not have mileage totals for all employees, much less a breakdown in miles driven for official use versus personal use." As you know, employees would owe tax for the benefit of using a state car for personal use. By working with DGS, the Department of Revenue, and conducting interviews with the individuals in possession of state cars, I believe you are in the best position to determine whether the executive employees have, in fact, rendered all owed taxes.

It is my understanding that for those Senators with state vehicle leases, Senate Chief Clerk Russ Faber withholds taxes for them for their assigned automobiles for personal use. However, I do not believe that has been the case for many of the departments in the executive branch. If withholding does occur, records should be easily obtained. If withholding does not occur, then the Department of Revenue could produce copies of income tax filings for you to ensure taxes have been paid by executive employees in possession of a state car.

Although an undertaking of all approximately 16,000 plus state-owned vehicles may be too broad in scope for your office of 200 employees, I suggest that you begin with the Auditor

Donald L. Patterson

January 27, 2009

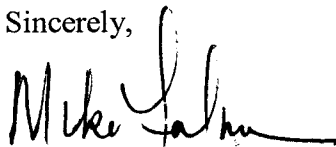
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General's attachments "List 3" and "List 5" in which individuals are named. A sampling from the other lists would also be welcome.

There are additional implications of fraud and abuse contained in the Auditor General's report that you may wish to pursue. However, in light of the report, I believe taxpayers will demand to know that state employees who have enjoyed the benefit of a state-owned vehicle (including maintenance, fuel and insurance) are paying all owed taxes.

Thank you for your prompt attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Mike Folmer". The signature is written in a cursive style with a long horizontal stroke at the end.

Mike Folmer

MF:fs:nb

Enclosures

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January 27, 2009

Honorable James Creedon
Secretary
Pennsylvania Department of General Services
North Office Building, Room 515
Harrisburg, PA 17125

Dear Secretary Creedon:

I read with interest Auditor General Wagner's report on the Department of General Services' management of the state vehicle fleet. With this report in mind, I would appreciate your thoughts on the following:

- Other than the new computer system installed late last year, what is DGS doing to address the oversight weaknesses cited in the report? More importantly, what is DGS doing to implement the Auditor General's eight specific recommendations for improvement?
- What recommendations (if any) do you have for amending my Senate Bill 104 (formerly SB 1499), which is designed to increase the accountability of state-owned vehicles? Will you support the bill as introduced?
- Have you looked at any of the reforms noted in the Auditor General's report that have been passed by other states? If yes, would you share your thoughts with me?

Thank you for your time and attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Mike Folmer".

MIKE FOLMER

MF:fs:nb