Fraud Hotline Report of Unsafe Driving by City Employees

APRIL 2023

Conclusion 1: Required reviews of unsafe driving data appear to be rare.

Conclusion 2: Numerous recent City vehicle accident investigations were never completed.

Conclusion 3: New City employees who drive on City business are required to review some, but not all City driving policies.

Conclusion 4: Enhancements to the vehicle telematics system could streamline the review process.

Andy Hanau, City Auditor
Matt Helm, Assistant City Auditor
Danielle Knighten, Deputy City Auditor
Andy Horita, Senior Fraud Investigator

CITY OF SAN DIEGO
OCA
OFFICE *of the* CITY AUDITOR

About the Fraud Hotline:

The Office of the City Auditor administers the City's Fraud Hotline program. The primary objective of the Fraud Hotline is to provide a means for a City employee or resident to confidentially report any activity or conduct—related to or involving City personnel, resources, or operations—for which he or she suspects instances of fraud, waste, or abuse.

The City's Fraud, Waste, and Abuse Hotline is operated pursuant to California Government Code §53087.6. The Statute defines fraud, waste, or abuse as "any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct."

The statute also requires that investigations conducted pursuant to its authority be confidential except to issue any report of an investigation that has been substantiated, or to release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals reporting the improper government activity, and the subject employee or employees, shall be kept confidential.

An independent third-party provider accepts calls from City employees and the public at **(866) 809-3500** or online at **www.sandiego.gov/fraudhotline**. Callers can choose to remain anonymous and all information provided via the Hotline will remain confidential. The third-party provider prepares a report for each report received and sends them to the Office of the City Auditor via email notification. Reports can also be submitted directly to the Office of the City Auditor, or online by following a link labeled "Fraud, Waste, and Abuse Hotline" on the City Auditor's home page.

DATE: April 17, 2023

TO: Eric Dargan, Chief Operating Officer

FROM: Andy Hanau, City Auditor
Office of the City Auditor

SUBJECT: Fraud Hotline Report of Unsafe Driving by City Employees

Summary

Motor vehicle accidents are the most common cause of workplace fatalities nationwide. The City of San Diego made a total of $31.2 million in liability claim payments related to motor vehicle accidents from fiscal year 2017 to 2021. Given that there are thousands of City vehicles on the road each day, it is imperative that the City address the dangers of unsafe driving. The City, its employees, and the public are placed at risk when employees drive unsafely.

Our investigation determined that City Management should take additional steps to increase accountability when City staff are determined to be at fault in vehicle accidents, and more fully utilize existing technology and policies to prevent accidents. Specifically, our investigation concluded:

1. City supervisors do not routinely review vehicle telematics data (such as speed, hard braking, and seatbelt use) as required by City policy, in order to proactively address unsafe driving.
2. In recent years, City employees were not held accountable after 39 separate accidents were formally reported to Management because the administrative process was not completed within the specified timeframe.
3. New employees are not trained on all City driving policies.
4. Enhancements to the vehicle telematics system could streamline the review process.

The City's Chief Operating Officer (COO) has the authority and responsibility for implementing the City's Injury and Illness Prevention Program, which is a Citywide effort to identify and eliminate unsafe conditions and practices, among other requirements. Since our recommendations are intended to identify and prevent unsafe driving by City employees who drive a City vehicle or privately-owned vehicle to conduct City business, we are directing this report and recommendations to the COO's attention.

As we will discuss, City Management agreed to implement two of the four recommendations we make to proactively reduce unsafe driving behaviors Citywide. City management indicated "disagree" for two recommendations, but as discussed below, the actions management plans to take would sufficiently address the issues we identified. Excerpts of City Management's response are included throughout the report, and their complete response memorandum can be found in **Attachment C**.

Background

In addition to the safety risk, the financial impact of unsafe driving by City employees is substantial. For example, in 2021, the City paid a $16 million settlement to a woman who was severely injured by a City employee who drove a vehicle into her as she was riding a motorcycle. Furthermore, data showing a pattern of unsafe driving by City employees without corrective action could strengthen plaintiffs' cases and increase the City's liability claim payment amounts. While most City employees drive safely and responsibly, research data has shown that a relatively small proportion of unsafe drivers in any fleet account for the majority of accidents.

Between 12 and 16 percent of the City's fleet of over 4,000 vehicles were involved in an accident in each of the past five years. Most of the accidents involved non-commercial City vehicles, and City Management determined that the majority of the 2,853 accidents reviewed between fiscal years 2017 and 2021 could have been prevented by the City employee driver. Failure to drive defensively and avoid the accident was the most commonly-cited cause of preventable City vehicle accidents. According to the City's policy, drivers who are found to be at fault for accidents may be required to complete a remedial defensive driving course, disciplined, or terminated depending on the circumstances—including a history of prior preventable accidents.

Over the past five years, the Office of the City Auditor has received 10 reports[1] through the Fraud Hotline regarding unsafe driving by City employees. The allegations included, but were not limited to, a non-emergency City vehicle being driven at approximately 98 miles per hour, employees failing to wear seatbelts, and employees maneuvering City vehicles unsafely. The allegations were referred to City departments for investigation, and most were determined to be either substantiated or resulted in other corrective actions.

As a result of the prior Fraud Hotline reports, new data showing non-emergency City vehicles being driven over 90 miles per hour from various departments, and the recognized risks related

---

[1] The allegations and resolutions to the prior Fraud Hotline investigations are summarized in a table that appears in **Attachment A** of this report.

to unsafe driving by City employees, we investigated the City's management of unsafe non-emergency[2] City drivers.

Six City Departments Were Responsible for Most Preventable Vehicle Accidents

In total, there were 2,853 vehicle accidents that City Management investigated during the past five years with 1,458 (51 percent) determined to be preventable and 1,395 (49 percent) determined to be non-preventable. As shown in **Table 1** below, six City departments (Police, Public Utilities, Fire-Rescue, Transportation and Stormwater, Parks and Recreation, and Environmental Services) were responsible for a total of 1,391 (93 percent) of preventable accidents.[3]

---

[2] Police and Fire-Rescue Departments use separate vehicle monitoring systems, are subject to different policies, and receive specialized training in emergency vehicle operations.

[3] The Transportation and Stormwater department was split into two separate departments and the Fleet Operations Department is now a division of the General Services Department.

Table 1

Six City Departments Were Responsible for Nearly All Preventable Vehicle Accidents Over the Past Five Fiscal Years

Department	2017	2018	2019	2020	2021	Total
Police*	126	88	79	74	84	451
Public Utilities	58	45	40	50	45	238
Fire–Rescue*	46	41	41	38	26	192
Transportation & Stormwater*	36	33	45	44	17	175
Parks and Recreation	28	30	43	35	34	170
Environmental Services	44	38	36	26	21	165
Fleet Operations Department	7	4	6	4	8	29
Fire – Rescue (Lifeguard Division)*	4	6	3	7	4	24
Public Works*	4	8	7	2	0	21
Real Estate Assets*	0	0	2	10	5	17
Purchasing & Contracting	0	4	4	0	1	9
City Treasurer	0	3	0	0	0	3
Information Technology	1	0	1	0	0	2
Communications	1	0	0	0	0	1
Development Services	0	0	1	0	0	1
Library	1	0	0	0	0	1
Office of the City Attorney	0	0	1	0	0	1
Citywide Department Totals	356	300	309	290	245	1,500
Preventable Industrial Accidents	<11>	<9>	<11>	<4>	<7>	<42>
Preventable Vehicle Accidents	345	291	298	286	238	1,458

93%

* The City changed some department names and reorganized others over the past five years. These data relate to the prior structure and department names as reported by the City. Police and Fire-Rescue Department data are included for context.

Source: OCA generated based on Risk Management Department reports.

The City Recently Strengthened the Unsafe Driving Discipline Policy

City Administrative Regulation (AR) 75.12, titled "Vehicle and Industrial Incident Review, Reporting, and Discipline Program," was revised in 2021 to increase the consequences for City drivers who drive unsafely and cause accidents that could have been prevented through defensive driving.

According to the AR, disciplinary actions are issued based on a matrix of the incident category (described below) and the frequency of preventable incidents caused by the driver in the last consecutive five-year period. (The prior version of the policy from 2015 only considered the last three years of a City driver's safety record.) The four categories of preventable incidents included in the current version of AR 75.12 are as follows, with emphasis added:

Category 1   An incident that occurred while the driver **failed to drive defensively** (actions, maneuvers, or adjustments a licensed driver would be expected to take or make to avoid an incident from occurring) and/or failed to prepare the vehicle properly for operation.

Category 2   An incident that occurred while the driver was **negligent and/or violated City policies or procedures**, Department Instructions, Standard Operating Procedures, State, or Federal regulations.

Category 3   An incident that occurred while the driver by their actions demonstrated a **flagrant, willful, or deliberate disregard for safety** and/or the law.

Category 4   An incident that occurred while the driver (regardless of placement of fault) was **under the influence** of alcohol, drugs and/or other substance(s), in violation of AR 97.00 (Substance Abuse Policy) and/or an applicable CVC, or Federal DOT regulations.

The new AR increased the disciplinary consequences for City drivers who are found to have caused an accident that could have been prevented. For example, a first-time offense where Management determines that a City driver failed to drive defensively (Category 1) will result in the employee receiving a written warning and being required to attend a mandatory two-hour Vehicle Accident Prevention course. Under the 2015 version of the policy, the same circumstances would result in only the mandatory two-hour class; a formal written warning was only indicated after the second preventable collision.

At the other extreme, a first-time offense where the driver was under the influence of alcohol (Category 4) will result in the employee's termination under the new policy (subject to the

appeal procedures outlined in the City's Personnel Manual, Memorandum of Understanding with the City's six recognized employee organizations, or City policies related to discipline for management-level employees). Under the prior version of the AR, only a fourth accident while driving under the influence, or a fifth accident where negligence, a City policy violation, or driving under the influence was substantiated, would necessarily result in termination as the only indicated consequence.

A New Vehicle Monitoring Policy Was Introduced in 2019

In addition to a stronger policy with enhanced consequences for unsafe driving, the City also recently released a new policy related to the use of vehicle monitoring equipment. The new policy, AR 90.74, titled "Telematics Data and Telematics Data Logging for City Vehicles/ Equipment," became effective in May of 2019. The policy defines telematics data to include items such as vehicle speed, GPS route data, idling times, and other information. No prior AR existed related to vehicle telematics data monitoring.

The City's prior practice was to review vehicle telematics data only when Management was investigating a formal complaint of unsafe driving or other misuse of a City vehicle. Although a vehicle telematics system was in place, an agreement between the City and the employee labor organizations prohibited routine and proactive vehicle activity monitoring. Vehicle efficiency evaluations required a five-day advance notice to employees.

In 2016, we issued a [Hotline Investigation of Personal Use of City Vehicles at the Public Utilities Department](#). In that investigation, we determined that six Public Utilities Department employees, including two managers, used City vehicles extensively for personal purposes. We recommended that the City consider using telematics data to monitor vehicle use. The implementation of the vehicle monitoring policy took several years to complete due, in part, to the required meet-and-confer obligations with the six recognized employee organizations as required by the Meyers-Milias-Brown Act, California's collective bargaining law.

In December of 2022, the City required employees to view a roughly seven-minute video titled, "Introduction to GeoTab Telematics." The announcement noted that the City recently installed a new telematics platform from a company called GeoTab, which "uses GPS and onboard diagnostics to monitor vehicle and equipment use." The purpose of the video was to educate City employees about the collection and use of telematics data as outlined in AR 90.74 and "highlight the benefits of telematics data."

The City Recently Upgraded the Vehicle Monitoring Telematics System

In 2022, the City upgraded the in-vehicle monitoring equipment installed in the fleet of 4,551 vehicles[4] and other motive equipment. The new GeoTab telematics system includes a "driver safety scorecard" such as the example from the vendor shown in **Image 1**, below, and other safety-related reports. The driver safety scorecard analyzes how safely the fleet's vehicles were driven based on several factors. Those factors include speeding more than 6 miles per hour over the posted speed limit, driving more than 75 miles per hour in any location, not wearing a seatbelt, hard acceleration, hard braking, and hard cornering. Each of these six factors is assigned a weight that is used to derive a total score out of 100, with lower scores indicating a higher risk.

Image 1

Driver Safety Scorecards, Such As This Example from the Vendor, Can Proactively Identify Unsafe Driving Patterns

GEOTAB INC.
Driver Safety Scorecard Report — Jan 01, 2018

Date Range	
From	Dec 01, 2017
To	Dec 31, 2017
Days	31
Fleet Mileage	35552
Fleet Occurances	4222

Average Fleet Score: 54.5

Weights	
Hard Acceleration	10%
Harsh Braking	10%
Harsh Cornering	10%
Seat belt	20%
Speeding	20%
Excessive Speeding	30%
	100%

Adjust the weight each rule has on the total score. The weights must amount to 100%.

Classifications	
Low Risk	95
Mild Risk	75
Medium Risk	60
High Risk	0

Name	Group	Distance (km)	Total Score	Scoring Classification	Hard Acceleration	Harsh Braking	Harsh Cornering	Seat belt	Speeding	Excessive Speeding
Vehicle 1	Entire Organization	1133.69	28.0	High Risk	87.2	100.0	92.9	0.0	0.0	0.0
Vehicle 2	Entire Organization	256.17	56.8	High Risk	81.2	100.0	100.0	97.3	0.0	30.9
Vehicle 3	Entire Organization	2148.73	78.6	Mild Risk	100.0	100.0	100.0	97.3	0.0	97.0
Vehicle 4	Entire Organization	507.55	93.8	Mild Risk	100.0	100.0	100.0	99.8	92.8	84.1
Vehicle 5	Entire Organization	3403.24	70.0	Medium Risk	100.0	99.5	100.0	96.5	24.1	53.2
Vehicle 6	Entire Organization	1894.40	56.6	High Risk	94.9	94.9	67.7	99.9	0.0	36.3
Vehicle 7	Entire Organization	1120.81	71.5	Medium Risk	100.0	100.0	100.0	87.5	0.0	79.9
Vehicle 8	Entire Organization	539.58	83.8	Mild Risk	85.1	88.1	76.1	77.7	66.8	100.0
Vehicle 9	Entire Organization	326.76	96.2	Low Risk	100.0	100.0	85.2	95.6	100.0	95.1
Vehicle 10	Entire Organization	2904.20	85.2	Mild Risk	100.0	100.0	100.0	88.5	84.6	68.4
Vehicle 11	Entire Organization	2020.80	73.7	Medium Risk	93.6	97.6	96.0	98.2	5.2	80.9
Vehicle 12	Entire Organization	3645.40	61.8	Medium Risk	100.0	100.0	99.6	100.0	4.1	36.9
Vehicle 13	Entire Organization	3703.86	54.1	High Risk	97.4	99.6	94.4	90.1	0.0	23.1
Vehicle 14	Entire Organization	25.95	63.7	Medium Risk	38.0	100.0	0.0	99.4	0.0	100.0
Vehicle 15	Entire Organization	379.28	95.4	Low Risk	100.0	95.8	91.5	83.5	100.0	100.0
Vehicle 16	Entire Organization	4788.07	51.3	High Risk	89.9	97.6	79.2	99.0	0.0	16.0
Vehicle 17	Entire Organization	2703.78	49.2	High Risk	97.0	99.4	95.2	100.0	0.0	0.0
Vehicle 18	Entire Organization	1788.38	48.3	High Risk	96.4	97.3	91.0	99.2	0.0	0.0
Vehicle 19	Entire Organization	411.32	53.9	High Risk	25.7	96.1	49.1	92.9	0.0	60.9
Vehicle 20	Entire Organization	727.20	59.5	High Risk	73.4	100.0	60.2	90.2	0.0	60.2
Vehicle 21	Entire Organization	1122.49	57.7	High Risk	95.7	100.0	79.9	83.6	11.6	36.9

Source: GeoTab website, retrieved February 2023.

Over the past year, as the system was being installed, we found that 724 City vehicles (30 percent of the 2,409 that reported driving activity), received driver safety scorecard ratings of "High Risk." We also found that in January of 2023, 125 non-emergency City vehicles were driven over 85 miles per hour, and 34 of those vehicles were driven over 90 miles per hour. Recently, one employee appears to have driven a non-emergency City vehicle up to 86 miles per hour on the freeway for a trip home during the middle of the workday, possibly for a lunch break.

---

[4] The Police, Fire-Rescue, and refuse collection vehicles use different telematics systems.

Investigative Conclusion 1

Supervisors Appear to Rarely Conduct Required Reviews of Unsafe Driving Data

In contrast to the earlier City practice of not reviewing vehicle telematics data on a routine basis to ensure compliance with City policy, the new AR 90.74 affirmatively states that each department's management "must review telematics data to ensure compliance" with the policy. The new policy also states, "City Management may at any time monitor, audit, or review" telematics data. Although the intent of the policy is, "to ensure compliance of City policies with a focus on training," it notes that City employees have "no expectation of privacy" when operating City vehicles. According to the policy, "Compliance violations may result in loss of the privilege to use City Vehicles/Equipment, and/or disciplinary action, up to and including termination, based on the severity."

Although AR 90.74 requires City Management to review vehicle telematics data, such as speed and seatbelt use to ensure compliance, this investigation, and our 2020 [Performance Audit of the City's Public Liability Management,](#) determined that the City lacks a proactive, coordinated approach to reducing the risk of unsafe driving. In response to our audit recommendations, the City has made progress in improving driver safety training, such as a planned comprehensive "Driving for the City of San Diego" course for new employees, and several anticipated courses covering defensive driving, safe backing, and the dangers of distracted driving. Additionally, the Compliance Department's Occupational Safety and Health Division added a new Safety and Training Manager position who will be responsible for designing driver training, supervisor safety training, and other safety-related functions.

Our investigation found that there is no Citywide process in place to ensure that the approximately 200 supervisors who have access to the telematics system routinely review the data to identify unsafe drivers, timely and proactively address the behavior with the employees, and document these reviews. For instance, AR 90.74 does not include any specific steps that supervisors must take when reviewing vehicle telematics data, and no other Citywide policy addresses these required reviews. However, supervisors may review an employee's vehicle telematics data in response to a specific report of unsafe driving, and the Fleet Management Division of the General Services Department sends occasional data and reports of unsafe driving to departments for investigation. To ensure complete and consistent reviews, this process should be coordinated Citywide and monitored for continued compliance.

Recommendation 1

We recommend that the Chief Operating Officer establish procedures to ensure that supervisors routinely review vehicle telematics data in order provide proactive, timely, and efficient training and/or disciplinary action to unsafe City drivers. These review procedures should be documented, coordinated, and monitored for compliance. (Priority 1)[5]

> **Management Response:** Disagree. At this time, the City is considering a centralized operational review and dissemination of telematics data as opposed to the auditor's recommendation that supervisors routinely review vehicle telematics. Management believes that a centralized approach will help ensure that the data will be reviewed independently and in a timely manner and that appropriate next steps will be taken.

> **Response from the Office of the City Auditor:** Notwithstanding the "disagree" response, it appears that City Management agrees with the intent of our recommendation. Existing City policy (AR 90.74) requires reviews of vehicle telematics data to ensure compliance. Whether the reviews are conducted by departmental management and supervisors (as required by the current, recently-negotiated policy) or a new centralized position is immaterial in our view. As long as there is sufficient and appropriate evidence that procedures have been established and reviews are taking place routinely, and are documented, we would likely consider this recommendation implemented. However, merely "considering" a monitoring program would not be sufficient. There is currently no Citywide program to ensure that the required reviews of unsafe driving by City employees takes place routinely to mitigate the various risks identified in this report; several prior Audits and investigations dating back to 2016 have pointed this out.

---

[5] See **Attachment B** for definitions of Fraud Hotline recommendation priorities.

Investigative Conclusion 2

Numerous Recent City Vehicle Accident Investigations Were Never Completed

Over the past five years, failure to complete accident investigations within the specified timeframes allowed City employees to avoid disciplinary consequences, remedial training, and potential future accountability for subsequent accidents. As shown in **Table 2** below, data from the Risk Management Department's annual reports of vehicle accidents stated that "an extraordinary number" of incomplete investigations have occurred recently. We not in particular that in fiscal year 2021, 17 out of 20 accidents that were reported but not resolved were attributed to the Environmental Services Department.

As stated in AR 75.12, "failure to complete the process...ends all investigation and discipline for this incident." This policy was recently revised to increase the timeframe to complete the investigation process from 90 days (prior to March 1, 2021) to 125 days (starting March 1, 2021). In total, 39 investigations were not completed within the required administrative timeframe during this five-year period. Although the 39 investigations that were never completed is a relatively small proportion of the nearly 3,000 vehicle accidents that occurred over the same time period, the ideal number of investigations not completed should be zero.

Table 2

Failure to Timely Complete the Unsafe Driving or Industrial Accident Review Process Allowed Unsafe City Drivers to Avoid Consequences

Department	2017	2018	2019	2020	2021	Total
Environmental Services					17	17
Park and Recreation*	2	1		1	2	6
Police	2	1	1		1	5
Public Utilities	3		1			4
Transportation and Stormwater*		1	2			3
Public Works*		1	1			2
Fleet*	1					1
Information Technology		1				1
Total	8	5	5	1	20	39

* Note that some department names changed or were reorganized during this timeframe.

Source: OCA generated based on Risk Management Department reports.

The root causes of these 39 instances of missed deadlines are unclear. The Compliance Department's Occupational Safety and Health Division monitors initial vehicle accident reports, checks on the status of investigations, and works with departments to ensure that reporting deadlines are met. The fiscal year 2021 "Citywide Vehicle/Industrial Accident/Incident Statistics Report" noted that, "the Safety Division will be investigating the departments" that had a high number of unresolved accident investigations, "to determine the problem and actions taken for correction." The root causes should be reviewed Citywide to ensure that the necessary corrective actions are taken, to include additional training, policy changes, or other necessary actions.

Recommendation 2

We recommend that the Chief Operating Officer review the circumstances surrounding the 39 instances of vehicle and industrial incident review, reporting, and disciplinary process failures over the past five fiscal years to determine the root causes of the problems and ensure that the necessary corrective actions are taken, to include additional training, policy changes, or other necessary actions. (Priority 3)

> **Management Response:** Agree. An initial review has already been performed with a number of broader issues identified, including department vacancies and turnover, process delays due to the COVID-19 pandemic, and confusion over the discipline process outlined in Administrative Regulation 75.12. However, a more detailed review is still ongoing and, when complete, will include recommended actions if appropriate and/or necessary.
>
> **Target Implementation Date:** December 31, 2023
>
> **Response from the Office of the City Auditor:** We appreciate City Management's efforts to identify and address the root causes surrounding the 39 instances of vehicle and industrial incident review, reporting, and disciplinary process failures over the past five fiscal years; doing so will ensure that unsafe conduct is addressed appropriately.

Investigative Conclusion 3

New City Employees Who Drive on City Business Are Required to Review Some, But Not All City Driving Policies

New City employees who drive a City vehicle (or privately-owned vehicle on City business) are only required to complete a review of 5 out of 11 driving-related City policies. The current "New, Transfer or Promoted Employee Checklist" curriculum consists of a self-paced review of five documents, including:

1. AR 75.12 Vehicle and Industrial Accident Review, Reporting and Prevention Program;
2. AR 75.50 Driver License Certification, Training and Verification Requirements;
3. Driver Operator Manual;
4. AR 45.10 Employee Transportation Authorization; and
5. AR 95.05 Cell Phone and Other Handheld Communication Use Devices.

For the first three policies listed above, employees acknowledge that they have reviewed the document by clicking a confirmation button (similar to the process used for software terms of service agreements). No comprehension test is required and no confirmation is required for the last two policies listed above.

Although the Driver Operator Manual requires employees to, "discuss driving requirements with their supervisor," it is not clear how in-depth the discussion must be or what should be discussed. The prior version of the Driver Operator Manual included a five-question, true/false quiz which was eliminated from the current version.

We determined that the required list of driving-related City policies that new employees are required to review is not comprehensive. Six driving-related polices that City employees are bound by are not provided as part of the new-employee orientation process. **Table 3**, below, summarizes the driving-related policies that are required to be reviewed by new City employees and those that are not included in the training materials.

Table 3

Only 5 out of 11 Driving-Related City Policies Are Required to be Reviewed by New Employees

Policy Number	Title	Required?
AR 75.12	Vehicle and Industrial Accident Review, Reporting and Prevention Program	✔
AR 75.50	Driver License Certification, Training and Verification Requirements	✔
DOM	Driver Operator Manual	✔
AR 45.10	Employee Transportation Authorization	✔
AR 95.05	Cell Phone and Other Handheld Communication Use Devices	✔
AR 75.05	Vehicle/Equipment Backing Procedures	✘
AR 75.85	Driving on Areas Not Designated for Vehicular Usage	✘
AR 90.72	Motive Equipment Idling Reduction Policy	✘
AR 90.73	Fuel Reduction and Transportation Efficiency Policy	✘
AR 90.74	Telematics and Data Logging for City Vehicles/Equipment	✘
Council Policy 200–19	Use of City Vehicles by City Employees	✘

Source: OCA generated based on the "New, Transfer or Promoted Employee Checklist."

The omission of AR 75.05, regarding vehicle backing procedures, is perhaps the most significant concern. Unsafe backing is one of the most commonly-cited causes of vehicle accidents involving a City driver, and the AR contains information that is missing from the Driver Operator Manual.

Recommendation 3

We recommend that the Chief Operating Officer consider including a reference to Administrative Regulation 75.05, regarding unsafe backing, and any other relevant City policies, to the new City employee policy orientation curriculum. (Priority 3)

> **Management Response:** Agree. Administrative Regulations 75.05 and 75.85 have already been identified as additions for new City employees, and Administrative Regulation 95.94 is already provided to new, transferred, or promoted employees. Management will review the other regulations and policies identified by the auditor and will determine if they should be provided to everyone or provided to employees based on the job description or other criteria.

> **Target Implementation Date:** August 31, 2023

> **Response from the Office of the City Auditor:** We appreciate City Management's efforts to ensure that the relevant City policies related to driving will be included in the new City employee orientation curriculum.

Investigative Conclusion 4

Enhancements to the Vehicle Telematics System Could Streamline the Review Process

Data such as driver safety scorecard reports from the GeoTab vehicle telematics system could be used to provide proactive, timely, and efficient feedback to unsafe drivers to educate and correct their behavior before dangerous and costly accidents occur. However, the current telematics system does not include optional components that could tie vehicle data to specific employees, assign remedial training to unsafe drivers automatically, nor does it include forward and driver-facing camera systems that are capable of automatically detecting distracted driving incidents. Any of these features could be added to the GeoTab telematics system at an additional cost per vehicle. For example, adding driver identification capabilities would cost approximately $65 per vehicle. Additional technologies would add costs, but City Management should compare the costs of these vehicle telematics system enhancements to the potential cost savings associated with a reduction in the $31.2 million in liability claim payments related to motor vehicle accidents over the past five years.

Research from the Virginia Tech Transportation Institute has shown that proactively assigning targeted training videos to unsafe drivers could reduce speeding and other risky driving behaviors by 73 percent. Similarly, a National Institute for Occupational Safety and Health study found that in-vehicle monitoring systems with driver feedback, driver and outward-facing cameras, and supervisory coaching led to a significant decline in overall risky driving behaviors that was sustained even after the coaching was discontinued. There is limited scientific evidence regarding which in-vehicle monitoring components are most effective at helping to reduce unsafe driving and collisions, but the research has consistently found that a relatively small proportion of unsafe drivers often account for the majority of accidents. As such, it is a best practice to provide feedback and additional training to identified unsafe drivers—before accidents happen.

Recommendation 4

We recommend that the Chief Operating Officer conduct a cost-benefit analysis regarding additional vehicle telematics technology, such as driver identification, automated training assignments, camera systems, and other solutions to proactively and efficiently increase driver safety, and implement the solutions indicated by the analysis. Priority should be placed on addressing City drivers who have demonstrated a pattern of high-risk driving behaviors in the past. (Priority 2)

> **Management Response:** Disagree. The City has already procured and installed telematics technology. Also, the City plans to build a program that is anticipated to include a centralized review of driver scorecards and assignment of training. Once the process for reviewing and taking action on telematics data has been established, the City will monitor the program's success and analyze whether adding additional telematics technology would provide a cost- or safety benefit.

> **Response from the Office of the City Auditor:** Although City Management disagrees with our recommendation, they have agreed to conduct a cost-benefit analysis related to potential enhancements to the new telematics technology; this is the essence of what we are recommending. Whether that analysis is part of a larger effort to centralize the review of vehicle telematics data is immaterial in our view. Since adding a "data review" position is subject to budgetary approval, City Management may be hesitant to commit to a timeframe to implement an action that is contingent on external action.

> We note that the City has been using vehicle telematics technology for over 20 years. The new technology implemented last year provides more comprehensive and accurate data, but our report suggested that some enhancements to the new system could provide more efficient and research-supported interventions to reduce unsafe driving substantially at a modest marginal cost. A centralized review of driver safety data will not address the current limitations inherent in the new system. For instance, City employees are not individually identified in the vehicle data, only vehicle identification numbers are recorded. Thus, as currently configured, department supervisors would need to manually provide constantly-updated lists of drivers to a centralized reviewer to match vehicle data to a specific employee since the employee behind the wheel can vary per trip. As we mentioned in our report, automated driver identification technology is available as an add-on to the existing system. These driver safety enhancements are becoming industry-standard for commercial and public-sector fleets and have been shown to be effective at efficiently reducing unsafe driving.

Conclusion

City Management deserves recognition for implementing several recent measures to reduce unsafe driving by City employees. Notably, updates to City policies to enhance disciplinary consequences and improve oversight using vehicle telematics data demonstrate the City's commitment to improving safety and reducing the number of costly vehicle liability claim payments. Another significant improvement was last year's upgrade to the City's vehicle telematics system that will improve the accuracy and scope of data available to supervisors.

Notwithstanding the progress that has been made recently, our investigation determined that City Management could take additional steps to reduce the frequency of unsafe driving by City employees. First, City Management should ensure that supervisors routinely review vehicle telematics data as required by the new City policy in order to proactively address unsafe driving as identified by the system. Although City Management disagrees with this recommendation, they did agree to a centralized review that achieves that same goal—if implemented. Next, a root–cause analysis should be conducted related to the 39 accident investigations that were terminated because they were not completed within the required timeframe. City Management agreed to conduct a thorough review. Additionally, the City should ensure that new City employees receive comprehensive training regarding the City's driving-related policies. City Management agreed to update the training materials. Finally, City Management should consider enhancing the capabilities of the new vehicle telematics system to automate driver identification, provide automated remedial training based on unsafe driving behaviors, and other research-supported proactive monitoring components. Management disagreed with our recommendation, but agreed to conduct a cost-benefit analysis if a centralized vehicle telematics program is implemented. Management's complete response memorandum is included in **Attachment C**.

The information in this report was written by Senior Fraud Investigator Andy Horita. It is being provided to you under the authority of California Government Code §53087.6, which states:

> (e) (2) Any investigative audit conducted pursuant to this subdivision shall be kept confidential, except to issue any report of an investigation that has been substantiated, or to release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals reporting the improper government activity, and the subject employee or employees shall be kept confidential.

> (3) Notwithstanding paragraph (2), the auditor or controller may provide a copy of a substantiated audit report that includes the identities of the subject employee or employees and other pertinent information concerning the investigation to the appropriate appointing authority for disciplinary purposes. The substantiated audit report, any subsequent investigatory materials or information, and the disposition of any resulting disciplinary proceedings are subject to the confidentiality provisions of applicable local, state, and federal statutes, rules, and regulations.

Thank you for taking action on this issue.

Respectfully submitted,

Andy Hanau
City Auditor

Attachment A – Prior Fraud Hotline Reports Regarding City Employees Driving Unsafely

	Date	Report Number	Allegation	Outcome
1	5/27/17	125535590	non–emergency City vehicle driving unsafely at approximately 98 mph.	substantiated, the department took the appropriate corrective action with respect to the identified employee
2	6/28/18	769485158501	driving "very irresponsibly" against traffic, illegal lane change	substantiated, appropriate corrective action was taken with respect to the identified employee
3	8/14/18	605895392301	driving "recklessly" and "swerving"	corrective action, the employee was reminded of their duty to be cautious, conscientious, and courteous when driving a City vehicle
4	9/20/18	928726424801	driving a heavy vehicle at an unsafe speed	corrective action in the form of safety training to all heavy vehicle drivers in the department
5	12/27/18	744366160201	failing to stop for a red light and making an illegal turn	corrective action was taken with respect to the identified employee
6	10/25/19	674907187101	driving "frantically" along the shoulder of the freeway	unsubstantiated based on the information provided and the department's investigation
7	1/20/21	222176700301	driving "irresponsibly"	corrective action was taken with respect to the identified employee
8	3/30/21	293842586101	driving "erratically" while using a cell phone	corrective action was taken to remind the employee of the City policy prohibiting cell phone use while driving

	Date	Report Number	Allegation	Outcome
9	4/29/22	326350734901	driving at an unsafe speed "barreling" down a residential street, nearly colliding with a vehicle	unsubstantiated based on the information provided and the department's investigation
10	8/1/22	880881880801	unsafe maneuvering, failing to wear seatbelts, and blocking sidewalk access	substantiated, the department took the appropriate corrective action with respect to the identified employees

Attachment B – Definition of Fraud Hotline Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3
FRAUD HOTLINE RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for Fraud Hotline recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration's responsibility to establish a target date to implement each recommendation taking into considerations its priority. The City Auditor requests that target dates be included in the Administration's official response to the findings and recommendations.

Priority Class[6]	Description
1	Fraud or serious violations are being committed.
	Significant fiscal and/or equivalent non–fiscal losses are occurring.
	Costly and/or detrimental operational inefficiencies are taking place.
	A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non–fiscal losses exists.
	The potential for costly and/or detrimental operational inefficiencies exists.
	The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

[6] The City Auditor is responsible for assigning Fraud Hotline recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher priority.

Attachment C – Management's Response

THE CITY OF SAN DIEGO

MEMORANDUM

DATE: April 7, 2023

TO: Andy Hanau, City Auditor, Office of the City Auditor

FROM: Eric Dargan, Chief Operating Officer

SUBJECT: Management Response to the Office of the City Auditor's Fraud Hotline Report
            of Unsafe Driving by City Employees

This memorandum serves as management's response to the Fraud Hotline Report of Unsafe
Driving by City Employees (Report.) When this response was written, the draft Report
provided to management contained four investigative conclusions and four
recommendations directed to the Chief Operating Officer.

Management appreciates that the Office of the City Auditor is reviewing City driving
processes, and we are happy to be able to respond with an update on the programmatic
improvements that we have been exploring and implementing since last fiscal year. General
Services' Fleet Division has taken the lead on this program, and they have been supported in
their efforts by the City's Executive Team, Human Resources, and Compliance. A brief
overview of that work includes:

Implemented Driving Improvements
- The City executed an amendment to the contract with Geotab for the purchase of fleet
  management technologies on December 2, 2021.
- Installation started in March 2022 and has been substantially completed.
- Citywide communications provided through January 2023 (Directors' meeting, Safety
  and Risk Oversight Committee presentation, information, and training pushed to City
  staff.)

In-Process/Next Steps
- Inclusion of A.R. 75.05 and A.R. 75.85 in the new employee orientation packet.
- Centralized data review position (contingent upon approval of the budget request.)
- Creation of a driving data process and program, including a process for verifying the
  data collected.
- Driving data program and process roll-out citywide.

Page 2
Andy Hanau, City Auditor, Office of the City Auditor
April 7, 2023

The City continues to build on its driver safety program and sees our use of telematics as an essential aspect of that ongoing work.

RECOMMENDATION 1: That the Chief Operating Officer establishes procedures to ensure supervisors routinely review vehicle telematics data to provide proactive, timely, and efficient training and/or disciplinary action to unsafe City drivers. These review procedures should be documented, coordinated, and monitored for compliance. (Priority 1)

Management Response: Disagree. At this time, the City is considering a centralized operational review and dissemination of telematics data as opposed to the auditor's recommendation that supervisors routinely review vehicle telematics. Management believes that a centralized approach will help ensure that the data will be reviewed independently and in a timely manner and that appropriate next steps will be taken.

RECOMMENDATION 2: That the Chief Operating Officer review the circumstances surrounding the 39 instances of the vehicle and industrial incident review, reporting, and disciplinary process failures over the past five years to determine the root causes of the problems and ensure that the necessary corrective actions are taken, to include additional training, policy changes, or other necessary actions. (Priority 3)

Management Response: Agree. An initial review has already been performed with a number of broader issues identified, including department vacancies and turnover, process delays due to the COVID-19 pandemic, and confusion over the discipline process outlined in Administrative Regulation 75.12. However, a more detailed review is still ongoing and, when complete, will include recommended actions if appropriate and/or necessary.

Target Implementation Date: December 31, 2023.

RECOMMENDATION 3: That the Chief Operating Officer should include a reference to Administrative Regulation 75.05, regarding unsafe backing and any other relevant City policies, to the new City employee policy orientation curriculum. (Priority 3)

Management Response: Agree. Administrative Regulations 75.05 and 75.85 have already been identified as additions for new City employees, and Administrative Regulation 95.94 is already provided to new, transferred, or promoted employees. Management will review the other regulations and policies identified by the auditor and will determine if they should be provided to everyone or provided to employees based on the job description or other criteria.

Target Implementation Date: August 31, 2023.

RECOMMENDATION 4: That the Chief Operating Officer conduct a cost-benefit analysis regarding additional vehicle telematics technology, such as driver identification, automated training assignments, camera systems, and other solutions to proactively and efficiently increase driver safety, and implement the solutions indicated by the analysis. Priority should be placed on addressing City drivers who have demonstrated a pattern of high-risk driving behaviors in the past. (Priority 2)

Management Response: Disagree. The City has already procured and installed telematics technology. Also, the City plans to build a program that is anticipated to include a centralized review of driver scorecards and assignment of training. Once the process for

Page 3
Andy Hanau, City Auditor, Office of the City Auditor
April 7, 2023

reviewing and taking action on telematics data has been established, the City will monitor the program's success and analyze whether adding additional telematics technology would provide a cost- or safety benefit.

Thank you for the opportunity to respond to these recommendations.

Eric Dargan
Chief Operating Officer

ED/cmg

cc: Paola Avila, Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Matthew Vespi, Chief Financial Officer
David Nisleit, Chief, Police Department
Colin Stowell, Chief, Fire-Rescue Department
Alia Khouri, Deputy Chief Operating Officer
Casey Smith, Deputy Chief Operating Officer
Jessica Lawrence, Director of Policy, Office of the Mayor
Christiana Gauger, Chief Compliance Officer, Compliance Department
Julie Rasco, Director, Human Resources
Angela Colton, Director, Risk Management
Musheerah Little, interim Director, General Services Department
Kristi Geitz, Deputy Director, Compliance Department
Mike Simonds, Deputy Director, General Services Department
Deborah Moser, Program Manager, Compliance Department