

DOCUMENT RESUME

03061 - [A2093198]

[Survey of Costs of Repairing Government Vehicles Damaged in Accidents]. LCD-77-224; B-158712. July 26, 1977. 2 pp.

Report to Sen. Sam Nunn; by Fred J. Shafer, Director, Logistics and Communications Div.

Issue Area: Facilities and Material Management (700).

Contact: Logistics and Communications Div.

Budget Function: Commerce and Transportation: Ground Transportation (404).

Organization Concerned: Department of Agriculture; Department of Defense; Department of the Interior; Department of Justice; General Services Administration; Postal Service.

Congressional Relevance: Sen. Sam Nunn.

Authority: Federal Claims Collection Act. Federal Tort Claims Act.

As a result of assertions made by B. G. Helton that the Government was paying too much for repairs to its damaged vehicles and was losing money on its claims collections, a study was made of vehicle repair practices and claims processing procedures at installations of the General Services Administration, the U.S. Postal Service, and the Departments of Agriculture, Defense, the Interior, and Justice. Findings/Conclusions: Mathematical errors and faulty projection of losses resulted in a yearly loss figure of \$20 million in Mr. Helton's estimate, whereas GAO arrived at a figure of approximately \$9 million. Further, GAO's study of vehicle repair practices and claims collection procedures did not indicate that the Government was in fact losing or failing to recover vast amounts of money. Agency policies and practices generally insured that accident claims, for and against the Government, were properly and promptly processed and that vehicles were economically repaired. Problems observed during the study can be corrected administratively by the agencies involved. The standards set forth in existing regulations and acts will, if properly implemented, protect the Government's interest so that additional legislation is unnecessary. (DJM)



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

03061
LOGISTICS AND COMMUNICATIONS
DIVISION

JUL 26 1977

B-158712

The Honorable Sam Nunn
United States Senate

Dear Senator Nunn:

In your letter of May 25, 1976, you sent us material furnished by Mr. B. G. Helton on inadequacies of the Government in collecting and paying claims arising from Government vehicles involved in accidents. Mr. Helton said the Government was paying too much for repairs on its damaged vehicles. He also said the Government was losing at least \$20 million and could lose more than \$250 million using its present vehicle repair programs and claims-processing procedures. Mr. Helton recommended various improvements to these operations.

You asked that we thoroughly explore Mr. Helton's assertions. You also asked us to review the Government's methods for collecting accident claims, evaluate the effectiveness of these methods, determine if legislation was needed to improve claims collections, and recommend ways to improve claims collections.

We studied vehicle repair practices and claims-processing procedures at selected installations of the General Services Administration, the United States Postal Service, and the Departments of Agriculture, Defense, the Interior, and Justice. These agencies operate over 384,000 vehicles, about 91 percent of the Government's fleet.

On February 11, 1977, we briefed a member of your staff on the study results. We found that mathematical errors and faulty projections of losses had greatly overstated projected losses in Mr. Helton's estimate, and that the adjusted potential loss figure would be closer to \$9 million a year than \$20 million as cited by his study.

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Furthermore, our study of vehicle repair practices and claims collection procedures did not indicate that the Government was in fact losing or failing to recover vast amounts of money. Agency policies and procedures generally insured that accident claims, for and against the Government, were properly and promptly processed and that vehicles were economically repaired. These policies and procedures, however, were not always effectively carried out at the working level. To quantify the resulting losses would be time consuming.

The attached reports to the Secretaries of Agriculture and Defense and the Administrator, General Services Administration, describe problems observed in the study and our recommendations.

We believe these problems can be corrected administratively by the agencies involved. The standards set forth in the Federal Procurement Regulations, the Federal Claims Collection Act, and the Federal Tort Claims Act, if properly carried out, will protect the Government's interest. We, therefore, believe that further legislation is not necessary.

During the study, we talked with Mr. Helton to discuss his views, to clarify points of issue and statistical data supporting his allegations, and to inform him of our progress. We have not, however, told Mr. Helton the complete results of the study. As agreed to by your office, we are sending you an extra copy of our report for him.

Sincerely yours,



F. J. Shafer
Director