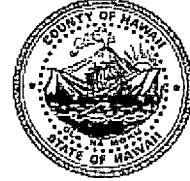


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[www.hawaiiicounty.gov](http://www.hawaiiicounty.gov)

July 3, 2024

Honorable Heather Kimball, Council Chair  
and Members of the Hawai'i County Council  
Hawai'i County Council  
25 Aupuni Street  
Hilo, Hawai'i 96720

2024 JUL - 3 PM 3:35  
COUNTY CLERK  
COUNTY OF HAWAII

Dear Council Chair Kimball and Council Members,

In accordance with generally accepted government auditing standards and the Hawai'i County Charter Section 3-18(d)(2), the Office of the County Auditor conducts or causes to be conducted performance and/or financial audits of the funds, programs, services, and operations of any county agency, executive agency, or program, as set forth by the county auditor in an annual audit plan that shall be transmitted to the county council and the mayor and file with the county clerk as a public record.

We have completed our engagement of the Derelict and Abandoned Vehicle (DAV) Program. The objective was to determine if the Department of Environmental Management Solid Waste Division administers its Derelict/Abandoned Vehicle Program in accordance with Hawai'i Revised Statutes §290 and other relevant governance to identify, remove, and dispose of abandoned vehicles, thereby enhancing public safety, protecting the environment, and maintaining community aesthetics.

While the program continues to improve its value to the community, we identified improvement opportunities, which led us to make five recommendations.

We appreciate the program's unrestricted access to sites, information, personnel, and coordination throughout the audit. The cooperation was exceptional.

In response to a draft of this report, management expressed general agreement with our audit results.

To improve government accountability and ensure audit recommendations are implemented or resolved, we will continuously monitor the status of recommendations using our remediation tracker. To view the department's status, visit us at <https://www.hawaiiicounty.gov/our-county/legislative/office-of-the-county-auditor>.

*Hawai'i County is an Equal Opportunity Provider and Employer*  
Comm. No. 938  
Ref. To: CRAC  
Ref. Date: JUL - 9 2024

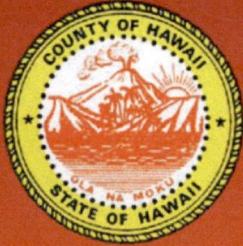
If there are any questions or concerns about the status of the recommendations discussed, feel free to contact our office at 808.961.8386.

Respectfully,

A handwritten signature in black ink that reads "Tyler S. Benner". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

County Auditor

cc: Mitchell D. Roth, Mayor  
Deanna Sako, Managing Director  
Diane Nakagawa, Finance Director  
Jon Henricks, County Clerk  
Ramzi Mansour, Director of Environmental Management  
Brenda Lokepa-Moses, Deputy Director of Environmental Management  
Michael Kaha, Solid Waste Operations Deputy Division Chief  
Juliana Holzman-Escareno, Derelict/Abandoned Vehicles Specialist



**County of Hawai'i**  
Office of the County Auditor



## **Department of Environmental Management Derelict and Abandoned Vehicle Program**

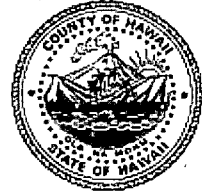
**Report No. 2024-02**  
**July 3, 2024**



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July 3, 2024

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Hawai'i County Council  
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Hilo, Hawai'i 96720

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*Tyler J. Benner*

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# Derelict and Abandoned Vehicle Program



## Why We Conducted This Audit

The Office of the County Auditor (OCA) conducted an annual risk assessment that highlights certain risks, including:

- Impacts on public health and safety
- Compliance with state and county laws and departmental rules
- Direct interaction with the public

## What We Found

The Derelict and Abandoned Vehicle Program has made improvements to identify and remove vehicles. However, the program has overlooked fundamental documentation, processes, and employee safety elements.

**Finding 1:** Limited Personal Protective Measures

**Finding 2:** Lack of Reporting Options for Abandoned Vehicles

**Finding 3:** Gaps in Policies and Procedures

**Finding 4:** Inconsistent Vehicle Auction Processes

**Finding 5:** Lack of Cross-Training for Program Continuity

## We Recommend

1. DEM Solid Waste Division prioritizes personal protective measures.
2. DEM implement a proactive campaign to educate residents on reporting abandoned vehicles but not limited to:
  - Working with the Information Officer to increase public service announcements
  - Using social media
  - Using a 311 helpline, app, or similar services
  - Using online form
3. DAV management continue to enhance procedures to ensure consistent and safe administration of the program.
4. DAV increase the frequency of auctions for abandoned vehicles to reduce time stored in impound lots; establish user-friendly online tools for consistent and timely auctions.
5. DEM management cross-train staff for operational continuity during absences.

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# About Us

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## **Mission**

It is our mission to serve the Council and citizens of Hawai'i County by promoting accountability, fiscal integrity, and openness in local government. Through performance and/or financial audits of County agencies and programs, the Office of the County Auditor examines the use of public funds, evaluates operations and activities, and provides findings and recommendations to elected officials and citizens in an objective manner. Our work is intended to assist County government in its management of public resources, delivery of public services, and stewardship of public trust.

## **Audit Authority**

Hawai'i County Charter §3-18 establishes an independent audit function within the Legislative branch through the Office of the County Auditor.

## **Purpose**

This engagement aimed to verify if the Department of Environmental Management's derelict and abandoned vehicle processes are effectively administered and complies with state and local regulations.

## **Performance Audit Definition**

Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision-making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.

Our objective in performance auditing is to improve public services provided by the County government. We do this by recommending specific actions addressing the issues we raised and by providing valuable information to the public, the administration, program leadership, the county council, and the mayor.

---

# Objective, Scope, and Methodology

---

## **Audit Objective**

Does the Department of Environmental Management Solid Waste Division administer its Derelict/Abandoned Vehicle Program in accordance with Hawai'i Revised Statutes §290 and other relevant governance to identify, remove, and dispose of abandoned vehicles, thereby enhancing public safety, protecting the environment, and maintaining community aesthetics?

## **Scope**

The audit was conducted from August 2023 to June 2024

- Reviewed inventory data from FY 2016-17 to FY 2022-23
- Reviewed financial data from FY 2016-17 to FY 2021-22
- Reviewed data from the Vehicle Disposal Assistance Program between FY 2018-19 to FY 2023-24

Areas not evaluated

- We did not evaluate cash handling processes conducted on impound lots
- We did not evaluate financial transactions conducted for abandoned vehicle auctions

## **Methodology**

To accomplish our objective, we:

- Reviewed HRS § 290 and subsections relevant to the subject matter
- Reviewed the department's written rules, policies, and procedures
- Reviewed GAO Green Book, OSHA standards, and best practices
- Developed an understanding of the department's internal control system, processes, practices, and document flows
- Participated in two ride-alongs and site visits with DAV staff to observe various work processes
- Interviewed appropriate staff
- Gained an understanding of the Vehicle Disposal Fund program sustainability
- Assessed controls over the abandoned and derelict vehicle processes as follows:
  - Vehicles identified for extraction
  - Towing and removal
  - Determination of disposition versus destruction
  - Impound storage costs
- Monitored and tracked inventory
- Evaluated how collected fees are managed and tracked
- Noted any exceptions and identified opportunities/areas for improvements,
- Was mindful of potential fraud, waste, and abuse during the audit

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

---

# Chapter 1

## Introduction

---

### **What is an Abandoned Vehicle?**

A vehicle that is unlawfully parked and left unattended for a continuous period of more than twenty-four hours on any public highway, public property, or private roads that are located within any ungated subdivision, where roads are open to and used by the public.

### **What is a Derelict Vehicle?**

A vehicle that has been abandoned on property owned, managed or administered by the authority, if a part has been removed or material damage to the vehicle has rendered the vehicle inoperable and one of the following conditions exists:

1. The vehicle is registered for the current registration period and the registered and legal owners no longer reside at the addresses on the record with the County Director of Finance;
2. The vehicle has been registered for the current or previous registration period and the registered and legal owners disclaim ownership, or a notice of transfer has been submitted by the registered and legal owners and recorded with the director of finance and the new owner has not transferred the title or registration into the new owner's name within thirty days of release;
3. The vehicle identification number and license plates have been removed so as to nullify efforts to locate or identify the current registered and legal owners;
4. The vehicle has not been registered for the previous twelve-month period; or
5. The vehicle registration records of the county director of finance contain no record that the vehicle has ever been registered in the County.

### **What is the Derelict and Abandoned Vehicle Program (DAV)?**

The Derelict and Abandoned Vehicle Program (Program) provides for the identification, removal, and temporary storage and processing of all paperwork related to derelict and abandoned vehicles, as well as processing, recycling, and auctioning of abandoned vehicles in accordance with program procedures.

### **What is DAV's Purpose?**

A program which has operated since inception in 1979 and later incorporated by the Department of Environmental Management for the purpose of disposing of abandoned or derelict vehicles and implementing a public outreach program to educate the public about the disposition of such vehicles.

**What are the Program Objectives?**

1. Coordinate the removal of vehicles from public and private roadways classified as derelict or abandoned.
2. Monitor the program and contracts to ensure that all derelict/abandoned vehicles are being processed and recycled in compliance with Hawai'i Revised Statutes, Hawai'i County Code, Department of Health Requirements, and Departmental Rules.
3. Continue the planning and design of the environmental cleanup for the Hilo Scrap Metal Facility.
4. Conduct at least one auction of eligible vehicles per year.
5. Provide Vehicle Disposal Assistance Programs for the public.

**What is the Vehicle Disposal Assistance Program (VDAP)?**

There is established a vehicle disposal assistance program to assist Hawai'i County residents with disposal of vehicles. Assistance shall be contingent on the availability of funds within the County's vehicle disposal fund and at the discretion of the director.

**What is VDAP's Purpose?**

The Vehicle Disposal Assistance Program (VDAP) assists residents of Hawai'i County with the towing and disposal fee of junk vehicles based on available funding.

**Mission Statement**

To protect public health, safety, and the environment by removing and recycling derelict/abandoned vehicles and properly disposing of waste generated from such vehicles.

## Organization Structure

The program operates within the Department of Environmental Management's (DEM) Solid Waste Division.



Source: Courtesy Department of Environmental Management

## FY 2024-25 Staffing

The program is made up of four positions, with an additional position currently requested:

### Hilo Office

- Derelict and Abandoned Vehicle Specialist (Supervisor)
- Derelict/Abandoned Vehicle Coordinator (Inspector)
- Clerk III

### Kona Office

- Coordinator/Vehicle Inspector (Vacant)
- Clerk III (Requested)

**How is the Program Funded?**

The program is funded through a Special Revenue Fund called the Vehicle Disposal Fund and is used to accumulate money for the towing, removal, disposal, and recycling of abandoned or discarded automobiles and automobile parts. Financing is provided through annual fees collected with motor vehicle registrations.

Revenue is comprised of five primary sources:

- Vehicle Disposal Fee
  - \$12.00 per registered vehicle per year
- Towing Fee
  - Vehicles towed to County impound lots, amounts vary by conditions, location, and contractor
- Vehicle Storage Fee
  - \$10.00 per day charged at County impound lots
- Sale of Abandoned Vehicles
  - Proceeds from vehicle auctions, amounts vary by bid
- Sundry and Miscellaneous

Revenues						
Fiscal Year	Licenses and Permits	Charges for Services	Miscellaneous Revenue			Total
	Disposal Fees	Towing Charges	Storage Fees	Auction Sales	Sundry & Misc.	
FY 2016-17	\$2,282,664.00	\$2,723.60	\$840.00	\$12,937.50	\$0.00	\$2,299,165.10
FY 2017-18	\$2,382,252.00	\$3,617.00	\$2,160.00	\$24,242.00	\$10,483.39	\$2,422,754.39
FY 2018-19	\$2,444,784.00	\$6,130.50	\$3,467.00	\$31,692.00	\$818.69	\$2,486,892.19
FY 2019-20	\$2,364,625.00	\$4,956.85	\$3,067.50	\$0.00	\$393.00	\$2,373,042.35
FY 2020-21	\$2,437,248.00	\$5,315.11	\$3,580.00	\$0.00	\$0.00	\$2,446,143.11
FY 2021-22	\$2,515,179.00	\$18,713.99	\$5,770.00	\$77,364.00	\$1,489.71	\$2,618,516.70
<b>TOTAL</b>	<b>\$14,426,752.00</b>	<b>\$41,457.05</b>	<b>\$18,884.50</b>	<b>\$146,235.50</b>	<b>\$13,184.79</b>	<b>\$14,646,513.84</b>

Table 1: EDEN Fresh approved budget hardcopy reports from FY 2016-17 to FY 2021-22, compiled courtesy of County Auditor

### How is the Money Spent?

Expenditures are comprised of five primary sources:

- Vehicle Disposal
  - Salaries and wages
  - Vehicle and parts disposal (i.e., Operations: towing, disposal, security, phones, etc.)
  - Vehicle and parts disposal equipment (i.e., Operational equipment: vehicles, computers, printers, office furniture, etc.)
- Inter-department
  - Transfer to Capital Project Fund
- Pensions and Contributions
  - Pension Accumulation

Vehicle Disposal Fund Expenditures				
Ending Fiscal Year	Vehicle Disposal	Inter-Department	Pensions & Contributions	Total
FY 2016-17	\$1,466,478.75	\$0.00	\$33,922.60	\$1,500,401.35
FY 2017-18	\$1,188,055.63	\$0.00	\$38,065.15	\$1,226,120.78
FY 2018-19	\$1,727,885.71	\$0.00	\$41,490.51	\$1,769,376.22
FY 2019-20	\$1,367,489.41	\$298,786.46	\$37,919.54	\$1,704,195.41
FY 2020-21	\$1,884,273.41	\$302,194.00	\$45,305.13	\$2,231,772.54
FY 2021-22	\$3,186,247.01	\$582,220.00	\$46,580.96	\$3,815,047.97
<b>TOTAL</b>	<b>\$10,820,429.92</b>	<b>\$1,183,200.46</b>	<b>\$243,283.89</b>	<b>\$12,246,914.27</b>

Table 2: EDEN Fresh Expenditure Status Report FY 2016-17 to FY 2021-22, compiled courtesy of County Auditor

## Where are Abandoned Vehicle Impound Lots Located?

There are three abandoned vehicle impound lots island-wide:

### Hilo Abandoned Vehicle Facility

1651 Ho'olaulima Road  
Hilo, HI 96720

- Zone 1
  - Ka'ū
  - Puna
  - North Hilo
  - South Hilo

### Kona Abandoned Vehicle Facility

74-598 Hale Māka'i Place  
Kailua-Kona, HI 96740

- Zone 2
  - Ka'ū
  - North Kona
  - South Kona

### Pu'uana'hulu Abandoned Vehicle Facility

71-111 Queen Kaahumanu Highway  
Waikoloa, HI 96738

- Zone 3
  - Hamakua
  - North Kohala
  - South Kohala



Source: Google Map, compiled courtesy, County Auditor


## DAV and VDAP Processes

The distinction between DAV and VDAP lies in the status of vehicle ownership. DAV refers to vehicles abandoned by individuals. VDAP involves vehicles whose owners still possess them but are actively working to properly dispose of their vehicle or private property owners looking to dispose of derelict vehicles left on their property.

## Reporting

- 1a. **DAV** vehicles are generally flagged in one of two ways. The public can call HPD to report vehicles they believe are derelict/abandoned, or HPD can initiate tagging while on patrol. Regardless of the method, the process begins with a notice on the vehicle when flagged. After a 24-hour waiting period, HPD checks if the vehicle was moved in accordance with HRS § 290-1, which states, "If a vehicle has been left unattended for a continuous 24-hour period, a notice is conspicuously posted on the vehicle."

HPD/TSS-003  
(Rev. 10-01-22)

  
**County of Hawai'i**  
**POLICE DEPARTMENT**  
149 Kapi'olani Street • Hilo, Hawaii 96720-1999  
(808) 933-3111 • Fax (808) 961-2189

**WARNING!**  
**ABANDONED VEHICLE VIOLATION**

INCIDENT #: \_\_\_\_\_

DATE: \_\_\_\_\_ TIME: \_\_\_\_\_ ACTION: \_\_\_\_\_

LOCATION: \_\_\_\_\_

OFFICER: \_\_\_\_\_ EMPLOYEE ID NO.: \_\_\_\_\_

This vehicle is in violation of the Hawai'i Revised Statutes  
If it is not moved one mile within 24 hours from the above identified location, it will be deemed  
abandoned and is subject to be towed at the owner's expense.

MAKE: \_\_\_\_\_ MODEL: \_\_\_\_\_ LICENSE #: \_\_\_\_\_

Source: Hawai'i County Police Department

- 1b. **VDAP** – Vehicle owners may surrender their vehicle or apply for derelict vehicles to be removed from their private property by filling out an application, which may be obtained from the Hawai'i County website at

<https://www.dem.hawaiicounty.gov/services/derelict-and-abandoned-vehicles>

The following tables highlight program progression.

Vehicle Disposal Assistance Program				
Timeframe	Vehicles Towed Per Residence	Who Paid Disposal Fees?	Who Arranged for Towing?	Who Paid the Towing Fees?
8/2018 to 8/2020	1	County	Owner	Owner
9/2020 to 7/2023	2	County	Owner	Owner
8/2023 to Present	2	County	County	County

Table 3: Vehicle Disposal Assistance Program, courtesy Department of Environmental Management

VDAP Applications and Tows		
Fiscal Year	Applications Received	# of Tows
8/2018 to 8/2020	784	676
9/2020 to 7/2023	847	632
8/2023 to 4/2024	550	411

Table 4: VDAP Applications and Tows, compiled courtesy of County Auditor

### Inspecting

- 2a. **DAV**-Per HRS § 290-12, The Hawai'i County Police Department (HPD) initiates a report. When completed, reports are approved and transmitted to DAV. The Clerk accesses reports daily, extracts specific data, and Coordinators perform vehicle inspections on the vehicles identified.

- 2b. **VDAP**-Coordinators schedule visits to residents requiring vehicle inspections, verify conditions and match application details.

### **Towing**

After the inspection, a contracted towing company delivers vehicles to one of three impound lots or the scrap yard.

- 3a. **DAV**-The County frontloads towing charges; if the vehicle is returned to the owner, the owner is responsible for repayment.

- 3b. **VDAP**-Towing of up to two vehicles per year is free of charge to the public.

A written notice shall immediately be sent by registered or certified mail to the legal and registered owner of the vehicle per HRS § 290-2. A notice need not be sent to a legal or registered owner or anyone with an unrecorded interest in the vehicle whose name or address cannot be determined.

### **Inventory**

- 4a. **DAV** – Impound lots are inventoried once per week, and vehicles are inspected and marked. All vehicles are validated using a division-maintained database.

- 4b. **VDAP** – Vehicles are immediately taken to be scrapped and are not entered into inventory.

### **Disposal**

- 5a. **DAV** – Disposal happens in one of two ways. Either vehicles are scrapped or sold at auction per HRS § 290-3. Vehicles may be disposed of by public auction, oral tenders, or sealed bids after a public advertisement is made once in a newspaper of general circulation, provided that the public auction shall not be held less than five days after the publication has been made. Auctions are conducted in accordance with DEM Rule 2-9-4. A typical auction disposes of approximately 40 vehicles. Where no bid is received, the vehicle may be sold by negotiation, disposed of, sold as junk, or donated to any governmental agency.

- 5b. **VDAP** – Vehicles are immediately taken to be scrapped with disposal paid for by DAV.

---

# Commendations & Noteworthy Events

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We commend the Department of Environmental Management's Solid Waste Derelict and Abandoned Vehicle Program for its proactive efforts to reduce abandoned vehicles on public roads and beautify the environment.

## Beautification Projects

- 70 vehicles removed from the Puna District between December 2022 and August 2023 through collaborative efforts with the Hawai'i County Police Department.
- 58 vehicles removed from Hawaiian Oceanview Estates in July 2021
- 383 vehicles removed from Maku'u Hawaiian Homes in September 2020



Source: Department of Environmental Management Solid Waste Division Derelict/Abandoned Vehicle Section

# Kaheakeola Place (Maku'u Hawaiian Homes)

Before Beautification Project



Source: Department of Environmental Management Solid Waste Division Derelict/Abandoned Vehicle Section

## Kaheakeola Place (Maku'u Hawaiian Homes)

After Beautification Project



Source: Department of Environmental Management Solid Waste Division Derelict/Abandoned Vehicle Section

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# Chapter 2

## Audit Results

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### Limited Personal Protective Measures

#### **Audit Activity**

To assess DAV's provision of personal protective measures during field inspections, we:

- Reviewed OSHA Act of 1970 SEC. 5. Duties
- Participated in two ride-alongs with DAV staff, where we observed the following inspections:
  - Vehicle inspections on public roads
  - Vehicle disposal assistance program on personal properties
  - Vehicle inspections in County impound lots
- Interviewed employees
- Requested safety-related policies and procedures

#### **Overview**

The County is responsible for providing a workplace free from serious hazards and complying with standards, rules, and regulations issued under the OSHA Act of 1970 SEC. 5. Duties. Personal protective measures ensure employee safety, health, legal compliance, and morale.

Prior to 2018, DAV inspected or released vehicles together in pairs for safety reasons. In 2018, coordinators were assigned individual tasks to enhance coverage. While the change increased efficiency, it also increased employee risk. Inherent risks include environmental factors, location, public interaction, and policies and procedures:

#### **Environmental Factors**

Risks include physical injuries from working in hazardous terrain and around the presence of deteriorating vehicles. Vehicles are often deposited under suspicious circumstances, heightening the potential for dangerous encounters. Coordinators might be mistaken for trespassers, particularly since they often work in plain clothes. Encounters with wild dogs pose another risk during inspections.

#### **Location**

Inspections often take place in remote areas where communication systems are unreliable.

#### **Public Interaction**

Although there is 24-hour security service as some impound lots, employees may encounter potential risks. Employees often meet and release alone with members of the public, including the vehicle owner and a driver. These interactions, which may involve cash transactions, can escalate due to heightened emotions regarding the payment and release of vehicles. Consequently, employees face the risks of being unprepared to manage anger and disputes.

Employees survey the area for potential dangers before exiting their vehicles to mitigate risks. If surveying results in an actual or perceived danger, employees bypass the vehicle and return later. Depending on the issue, employees coordinate with HPD for an escort during their return inspection.

### **Policies and Procedures**

DAV has no policies and procedures related to their safety and work processes.

### **We Found**

- Program personnel lack uniforms and work in plain clothes instead.
- Policies and procedures do not address safety protocols, including personal protective equipment.
- Staff does not adapt equipment and resources to new working conditions or provide training.
- Personal protective gear like high-visibility vests and industrial boots are not required.
- Reliable communication and emergency support systems or protocols are not established in hazardous or remote areas.
- Measures like physical booths or online payments to minimize risks are not implemented.
- Safety devices such as lights and cameras are not installed at all impound lots.
- Comprehensive training in conflict resolution and equipment usage is lacking.
- Safety-related policies and procedures are not in place, exposing employees to potential hazards.

### **Conclusion**

The review of personal protective measures for employees during field visits highlights gaps in safety protocols. Despite the County's obligation to minimize hazards to an acceptable level, environmental risks, remote locations, and some public interactions threaten employee safety. A lack of safety assessments and standards leaves coordinators vulnerable to potential hazards.

### **Finding 1: Limited Personal Protective Measures**

#### **Cause of the Condition**

Safety concerns persist because DEM hasn't established a safety standard matching the risks employees face.

#### **Effect of the Condition**

The County leaves Coordinators vulnerable during hazardous vehicle-related activities.

## **Recommendation 1: Prioritize Personal Protective Measures**

We recommend that the Department of Environmental Management's Solid Waste Division prioritize personal protective measures.

In collaboration with the Safety Division, we recommend that the Department of Environmental Management pursue additional personal protection measures including but not limited to:

### **Environmental Factors**

- Provide or require high-visibility vests, logo-embroidered uniforms, and appropriate personal protective gear (i.e., industrial boots, gloves, head, and eye protection)
- Consider appropriate personal protective devices after proper training has been administered.

### **Location**

- Implement two-way radios or equivalent communication devices and GPS for real-time communication.
- Employ noise-making devices such as whistles or air horns.
- Establish a buddy system in hazardous or remote areas.

### **Public Interaction**

- Install physical booths to separate employees from individuals at impound lots or collect payments via online applications or equivalent before vehicle release to minimize risks.
- Install perimeter safety devices at impound lots, such as lights and cameras at all impound lots.
- Require comprehensive training in conflict resolution, de-escalation techniques, and equipment usage.

### **Policies and Procedures**

- Create policies and procedures related to safety-refer to Recommendation 3

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# Lack of Reporting Options for Abandoned Vehicles

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## Audit Activity

To determine if DAV educates the public on reporting derelict/abandoned vehicles, we conducted the following activities:

- Gained an understanding of applicable laws and governance:
  - Hawai'i Revised Statutes § 290 Abandoned Vehicles
  - DEM Rules of Practice and Procedure 2-9-1(a)
- Reviewed DEM's Abandoned Vehicles website
  - Reviewed Derelict/Abandoned Vehicle Procedures
- Benchmarked other municipalities administering abandoned vehicle programs

## Overview

The County removes and disposes of abandoned vehicles in accordance with HRS § 290-1(a). A vehicle is defined as abandoned when left unattended unlawfully for over 24 hours on public or certain private properties.

DEM Rule 2-9-1(a) states that "all derelict or abandoned vehicles located on public property or private roads may be reported to the County police dispatcher." Police identify vehicles in population centers and high-traffic areas. In remote locations, it becomes more important for the public to report vehicles that police might not otherwise tag actively. However, the public is limited to a single reporting methodology: calling in the vehicle. Public reporting can also be problematic. Errors and discrepancies include:

- Vehicles may be reported multiple times, whereas those in remote locations might not be reported at all
- Reports often contain inaccurate information
- Nuisance vehicles located on private property cannot be towed

The County's process of reporting an abandoned vehicle is currently by telephone:

## How to Report an Abandoned Vehicle

1. Call police dispatch at (808) 935-3311
2. A police officer will attach a 24-hour removal notice to the vehicle
3. The DAV Section will review the police report for towing eligibility, inspect the vehicle and then request the tow services within 72-hours.
4. To check the status of an abandoned vehicle call the HPD Traffic Services Section at 808-961-2202 or 808-961-2227.

Source: <https://www.dem.hawaiicounty.gov/services/derelict-and-abandoned-vehicles> Date Last Accessed: 04/23/2024

## Benchmarking

Comparing Hawai'i County's program with other municipalities, including Clark County, Nevada, Seattle, and San Jose, we found that timelines for identifying, removing, and handling dispositions are consistent with counterparts.

Cities and municipalities often use 311 services or apps for residents to access local government services. The difference between 311 and an app is the mode of access and interaction.

311 is an easy-to-access, non-emergency phone number that people can dial to connect with local government services and report non-urgent issues like abandoned vehicles, graffiti, illegal dumping, potholes, dead animals, noise complaints, and more. A 311 mobile application provides functionality similar to the 311-phone service but in a digital format. Users can use the app to report issues, access information, and communicate with local government services. The app often offers additional features such as GPS location tagging for issue reporting, photo uploads, and status tracking of submitted requests.

Using a 311 helpline or app streamlines communication with local government, simplifying the reporting process.



Source: [SanJose 311 \(sanjoseca.gov\)](https://sanjoseca.gov) Date Accessed: 04/23/2024

## We found

- The program does not have options for reporting abandoned vehicles
- The program relies on customers reporting abandoned vehicles by phone via police dispatch
- The program does not have policies and procedures to address how it educates the public
- During ride-alongs, we observed derelict and abandoned vehicles are rarely reported in remote areas, and therefore, not removed.

## **Conclusion**

The Department of Environmental Management established a program to dispose of abandoned vehicles and educates the public through its website. Relying solely on a website for public education can pose challenges because it may not reach all demographics or cater to varying learning preferences. Additionally, it might limit accessibility for those with limited internet access or technological literacy.

Community policing and patrols have effectively increased the number of vehicles identified and removed, especially in areas of high visibility. In remote areas, the program relies heavily on public participation. While information about the program is accessible to the public, simply making it available does not equate to actively engaging in a public outreach effort to educate them. Given that the public plays a crucial role in reporting, providing tools that facilitate education and reporting to enhance participation is essential.

## **Finding 2: Lack of Reporting Options for Abandoned Vehicles**

### **Cause of the Condition**

The program does not proactively educate the public on reporting abandoned vehicles.

### **Effect of the Condition**

Vehicles remain in remote or undesirable areas for extended periods.

## **Recommendation 2: Increase Reporting Options**

We recommend DEM implement a proactive campaign to educate residents on reporting abandoned vehicles, including but not limited to:

- Collaborating to facilitate easy reporting, increase community involvement, and expedite the identification and removal of abandoned vehicles from remote or undesirable areas:
  - Working with the Information Officer to increase public service announcements
  - Using social media
  - Using a 311 helpline, app, or similar services
  - Using online form

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# Gaps in Policies and Procedures

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## Audit Activity

To determine if the program has sufficient written policies and procedures, we conducted the following activities:

- Interviewed staff to assess understanding of policies and procedures
- Conducted site visits to observe workflow processes and practices
- Reviewed applicable laws and written guidance
  - Hawai'i Revised Statutes §290 Abandoned Vehicles
  - Department of Environmental Management (DEM) Rules of Practice and Procedure April 2023 (rules)
  - DEM Derelict/Abandoned Vehicle Procedures
- Reviewed Government Accountability Office (GAO) Greenbook
  - OV1.03 Definition of Internal Control
  - 11.14 Design of Security Management
  - 12.02 Documentation of Responsibilities through Policies

## Overview

The Government Accountability Office (GAO) Green Book recommends establishing written policies and procedures to document internal controls and responsibilities. "Internal controls comprise the plans, methods, policies, and procedures used to fulfill the entity's mission, strategic plan, goals, and objectives. Internal controls help managers achieve desired results through effective stewardship of public resources<sup>1</sup>. Creating program policies and procedures strengthens internal controls.

GAO's Greenbook provides best practices for management implementing control activities to restrict user access in IT, including unique user IDs or tokens, aligning access with job roles, promptly updating access rights, and managing access across interconnected IT elements.

At the County, each department is responsible for creating and maintaining its own internal control policies and procedures by using the Department of Finance's Accounting Manual<sup>2</sup> to establish a system of internal controls.

## We Found

Although DEM has rules and procedures for reporting, removal, disposal, auctions, and knowledge staff to regularly review and update policies, it is best practice to provide detailed instructions. Written guidance does not address:

- Basic safety needs of employees
- Field protocols including processing reports, final disposition, notice to owners, claiming of vehicles, auctions, and cash handling procedures
- User role security in software tracking (NexGen System, a Data Asset Management System)
- Compliance with HRS §290: procedural safeguards, owner notification, and environmental considerations.

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<sup>1</sup> United States Government Accountability Office. Standards for Internal Control in the Federal Government (Green Book) Definition of Internal Control OV1.03, pg. 5. <https://www.gao.gov/assets/gao-14-704g.pdf> Date accessed 4-12-24.

<sup>2</sup> Accounting Manual Part 1 County of Hawaii Department of Finance. Departmental Internal Control Systems. June 7, 1999.

**Conclusion**

Identifying gaps in guidance helps management strengthen controls, add detailed instructions, and clarify procedures. Staff should be trained on established and approved procedures.

Standardizing work processes with clear policies enhances consistency, efficiency, and productivity, minimizes errors, promoting accountability and facilitates knowledge sharing, quality control, and organizational effectiveness.

**Finding 3: Gaps in Policies and Procedures****Cause of the Condition**

Program policies and procedures have not been updated to reflect operational practices.

**Effect of the Condition**

Not having formalized written policies and procedures causes confusion and inefficiency.

**Recommendation 3: Enhance Written Policies and Procedures**

We recommend DAV management continue to enhance policies to ensure consistent and safe administration of the program.

# Inconsistent Vehicle Auction Processes

## Audit Activity

To determine if vehicle auctions are regularly performed, we conducted the following activities:

- Reviewed Hawai'i Revised Statutes
  - Section 290-2 Notice to Owner
  - Section 290-3 Public Auction
  - Section 290-5 Waiver of Public Auction Requirements
- Reviewed DEM Rules of Practice and Procedures
  - Rules 2-9-4 Auction of Abandoned Vehicles
- Reviewed Auction Data from FY 2016-17 to FY 2022-23

## Overview

The Vehicle Disposal Fund's goal is to conduct auctions for the sale of abandoned vehicles that have met state-mandated holding and notification periods.

### Required holding and notification period

HRS § 290-2 provides time frames for repossession and requires notifying vehicle owners of abandoned vehicles via registered or certified mail of the vehicle description, location, and intended disposition of the vehicle.

Some vehicles brought to the impound lots are set aside for auctioning, which may occur once or twice per fiscal year, or not at all, depending on resources. Staff stated that auctions are scheduled when 40 to 60 vehicles are available.

Vehicle auction data is recorded in the Police Report & Daily Logs report within the impound inventory and/or auction. These logs detail the impound date, vehicles selected for auction, and the impound lot location.

## We Found

Our review of inventory logs revealed that some abandoned vehicles remained on impound lots for prolonged periods. Vehicles identified for auctions are set aside at impound lots until auctions are held. When auctions aren't held regularly, extended outdoor storage contributes to deterioration, negatively impacting the salvage value of vehicles.

Vehicles Sold at Auction			
Fiscal Year	Auction Conducted	Number of Eligible Vehicles Sold	Revenues Generated
FY 2016-17	Yes	39	\$12,937.50
FY 2017-18	Yes	62	\$24,242.00
FY 2018-19	Yes	69	\$31,692.00
FY 2019-20	No	0	\$0.00
FY 2020-21	No	0	\$0.00
FY 2021-22	Yes	81	\$77,364.00
FY 2022-23	No	0	\$0.00
TOTAL		251	\$146,235.50

Table 5: Revenues from Abandoned Vehicle Auctions, from Source: DAV Compiled OCA

**Conclusion**

In conclusion, DAV does not have an established auction schedule. No auctions were conducted during the global pandemic in 2019 or 2020, and since then, the department has held auctions in September 2021 and again in June 2022. No auctions have been held since.

**Finding 4: Inconsistent Vehicle Auction Processes****Cause of the Condition**

Scheduled auctions are not held regularly.

**Effect of the Condition**

Vehicles selected for auction lose value as they degrade over time, contributing to lost revenue.

**Recommendation 4: Modernize Vehicle Auction Processes**

We recommend that DAV increase the frequency of auctions for abandoned vehicles to reduce the time stored in impound lots. If possible, utilize online tools to establish a more user-friendly and consistent process for timely auctions of these vehicles.

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# Lack of Cross-Training for Program Continuity

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## **Audit Activity**

To determine if staff are cross trained to provide program continuity, we conducted the following activities:

- Interviewed Solid Waste Division Chief
- Interviewed DAV staff
- Conducted site visits to observe operations
- Reviewed Government Accountability Office (GAO) Green Book:
  - 4.02 Expectations of Competence
  - 4.05 Recruitment, Development, and Retention of Individuals

## **Overview**

DAV is made up of four positions, with an additional position currently requested:

### Hilo Office

- Derelict and Abandoned Vehicle Specialist/Supervisor (Supervisor)
- Coordinator/Vehicle Inspector (Coordinator)
- Clerk III

### Kona Office

- Coordinator/Vehicle Inspector (Vacant)
- Clerk III (Requested)

Section 4.05 of GAO's Greenbook describes management's obligations to recruit, train, mentor, and retain personnel to nurture professional competence. This Professional competence GAO Section 4.02 is achieved by obtaining relevant knowledge, skills, and abilities to carry out assigned responsibilities.

## **We found**

The supervisor is a knowledgeable resource and guides staff; however, no staff is trained to manage the office temporarily during their absence. When DAV supervisors are absent, the Solid Waste Division Chief, with a full workload, serves a temporary support role while managing their regular essential duties and responsibilities. The limited availability inhibits the program's ability to respond to issues promptly, impacting timelines and decision-making.

## **Conclusion**

For programs with small work groups, cross-training personnel is important for ensuring coverage and continuity because it increases staff knowledge and creates flexibility in operations. When trained in multiple roles, employees can cover for absent colleagues or handle increased workloads more effectively. This reduces the risk of disruptions to operations and ensures that critical tasks can still be performed even when key personnel are unavailable. Additionally, cross-training promotes a more knowledgeable and skilled workforce, enhancing the organization's resilience and adaptability to changing circumstances.

## **Finding 5: Lack of Cross-Training for Program Continuity**

### **Cause of the Condition**

Staff are not cross trained to assume the responsibilities of peers during absences.

### **Effect of the Condition**

The lack of comprehensive cross-training of personnel:

- Impacts the overall decision-making process
- Reduces the effectiveness of meeting public needs
- Impacts monitoring of workflow and oversight

### **Recommendation 5: Provide Cross-Training for Program Continuity**

We recommend DEM management cross-train staff for operational continuity during absences.

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# Chapter 3

## Fraud, Waste, and Abuse

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As a practice, we remain mindful and document instances of fraud, waste, and abuse within the scope of the audit objective and not specifically departmental or countywide.

We did not detect any instances of fraud, waste, or abuse throughout this audit.

During entrance, we inquired with the Department of Environmental Management about Fraud, Waste, and Abuse in their Division relevant to the objectives of the audit. DEM management reported no fraud, ongoing investigations, or pending litigation that would impact this audit.

During exit, we inquired with the Department of Environmental Management about Fraud, Waste, and Abuse in their Division relevant to the objectives of the audit. DEM management reported no fraud, ongoing investigations, or pending litigation that would impact this audit.

In closing, the improper use of government resources or positions are commonly uncovered by employees and the public. We strongly encourage reporting of any concerns through our fraud and whistleblower hotlines:

Fraud and Waste Hotline: (808) 480-8213

Whistleblower Hotline: (808) 480-8279

Email: [concern@hawaiicounty.gov](mailto:concern@hawaiicounty.gov)

Fax Number: (808) 961-8905

Mail: Office of the County Auditor

120 Pauahi St. Ste. 309

Hilo, HI 96720

To access the complaints directory:

<https://www.hawaiicounty.gov/our-county/legislative/office-of-the-county-auditor/inquiry-and-complaint>

Submit a claim:

<https://www.hawaiicounty.gov/our-county/legislative/office-of-the-county-auditor/inquiry-and-complaint/intake-form>

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# Conclusion

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Based on our evaluation, the Department of Environmental Management Solid Waste Division appears to administer its Derelict/Abandoned Vehicle Program in alignment with Hawai'i Revised Statutes §290 and relevant governance. Our assessment suggests that the program effectively identifies, removes, and disposes of abandoned vehicles, contributing to enhanced public safety, environmental protection, and community aesthetics.

We acknowledge that while our evaluation leans towards a favorable assessment, it's important to note that compliance may not be absolute in every instance due to variances in individual performance and judgment.

To improve government accountability and ensure audit recommendations are implemented or resolved, we will continuously monitor the status of pending recommendations using our remediation tracker. To view the status, visit us at: <https://www.hawaiicounty.gov/our-county/legislative/office-of-the-county-auditor/remediation-tracker>

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# Chapter 4

## Management Response

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Mitchell D. Roth  
*Mayor*

Deanna S. Sako  
*Managing Director*



Ramzi I. Mansour  
*Director*

Brenda Iokepa-Moses  
*Deputy Director*

### County of Hawai'i

#### DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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May 9, 2024

Mr. Tyler Benner  
County Auditor  
County of Hawai'i  
120 Pauahi St., #309  
Hilo, HI 96720

Aloha Mr. Benner,

The Department of Environmental Management (DEM) appreciates the time and effort put into the audit of our Derelict/Abandoned Vehicle (DAV) Program.

DEM has reviewed, acknowledges and is in general agreement with the recommendations within the report. We would like to take this time to address each recommendation and put forth current and future planned efforts.

#### MANAGEMENT RESPONSE TO AUDIT RECOMMENDATIONS

##### Recommendation 1:

Prioritize Personal Protective Measures

##### Management response to Recommendation 1:

DEM concurs with this recommendation.

Though DAV staff are issued puncture proof boots, rain jackets and safety vests, there aren't written policies and procedures that outline when and where these items are required to be worn. To ensure proper PPE is worn when appropriate, DEM will work with the Safety Division to establish written safety policies and procedures. DEM is actively working to acquire cameras for all impounds that can be monitored from the office. DEM will look into procuring uniforms, two-way radios, and personal protective equipment (to the extent allowed by the County). DEM will explore online payment options, as an option to reduce the "in-person" exchange of monies and the risk that goes with that. DEM and DAV staff strongly agree that using a buddy

system when doing field work in remote or known unsafe areas is needed to ensure staff safety. DEM will evaluate the need for additional positions and include those needs in future budget requests. In the meantime, DEM plans to implement the buddy system, when possible, with existing staff.

**Recommendation 2:**

Lacks Reporting Options for Abandoned Vehicles

**Management response to Recommendation 2:**

DEM concurs with this recommendation; however, this part of the Abandoned Vehicle Process is handled by the Police Department.

To report an abandoned vehicle, the public must contact the Police Department's non-emergency line so an Officer can be dispatched to respond. DEM is open to new reporting mechanisms; however, we must get the concurrence of the Police Department as all reporting of abandoned vehicles goes through their dispatchers. Looking at other jurisdictions, Kauai County and the City and County of Honolulu have an online form that the public can use to report an abandoned vehicle. DEM will work with the Police Department to explore options that are feasible for our County. The 311 app looks like an option for the County to use collectively for all departments for the public to report abandoned vehicles, potholes, dead animals, etc. DEM is actively recruiting a Public Information Officer, once that position is filled it will be utilized to educate the public on all services DEM provides.

**Recommendation 3:**

Undocumented Policies and Procedures

**Management response to Recommendation 3:**

DEM concurs with this recommendation.

The DAV Program has policies and procedures they follow that have been passed on from staff to staff. Though this has worked over the years, DEM understands the importance of having written policies and procedures. Recently a supervisory position was created to oversee the DAV Program. Prior to this, the Solid Waste Division (SWD) Chief was responsible for overseeing the DAV Program. Once the DAV Program is fully staffed, the DAV Specialist will work on creating official policies and procedures for this Program.

**Recommendation 4:**

Inconsistent Vehicle Auction Processes

**Management response to Recommendation 4:**

Auctions can be costly events that involve newspaper publications, a lot of prep work, and requires staff to be available after hours for multiple days, including weekends. The Program will only schedule auctions when adequate inventory is available that will make the auction worthwhile. Currently, the County of Hawai'i is the only jurisdiction within that state of Hawai'i that handles auctions exclusively inhouse. Kauai and Maui County do not hold auctions and the City and County of Honolulu post their auction listing online without pictures and vehicles are located at various tow yards that are not operated by the County. DEM will explore online options for auctions. The Programs goal is to conduct at least one per fiscal year.

**Recommendation 5:**

Lacks Cross-Training for Program Continuity

**Management response to Recommendation 5:**

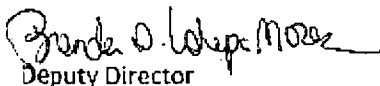
DEM concurs with this recommendation.

The DAV Clerk is cross trained to do all job duties of the DAV Coordinator. The current East Hawaii DAV Coordinator is cross trained to do some duties of the DAV Clerk but is not cross trained to do the duties of the DAV Specialist. The DAV Specialist is a new position (June 2023) and the individual currently in the position is helping with the vacant DAV Coordinator fieldwork. Cross training will be made available once the Program is fully staffed.

In conclusion, DEM appreciates the work put into this audit as it identifies areas the DAV Program can improve to ensure we are serving the residents of Hawai'i County to the best of our ability.

Thank you for this opportunity to provide comments on this audit.

Brenda Iokepa-Moses



Deputy Director  
Department of Environmental Management

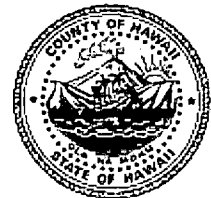
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*Tyler J. Benner*  
County Auditor

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The Office of the County Auditor is tasked with promoting accountability, fiscal integrity, and openness in local government. Our work is intended to assist County government in its management of public resources, delivery of public services, and stewardship of public trust. Copies of this audit report can be obtained by contacting the Office of the County Auditor or visiting our website: <https://www.hawaiicounty.gov/our-county/legislative/office-of-the-county-auditor/audit-reports>