



City of New York

OFFICE OF THE COMPTROLLER

Scott M. Stringer
COMPTROLLER



AUDITS & SPECIAL REPORTS

Marjorie Landa

Deputy Comptroller for Audit

Audit Report on the Department of Sanitation's Monitoring of Its Employees Who Use E-ZPasses and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business

SZ16-075A

February 27, 2017

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, NY 10007

SCOTT M. STRINGER
COMPTROLLER

February 27, 2017

To the Residents of the City of New York:

My office has audited the New York City Department of Sanitation (DSNY) to determine whether DSNY effectively monitors its employees who use City-provided E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business accordance to applicable rules and regulations.

DSNY is responsible for keeping New York City healthy, safe and clean by collecting, recycling and disposing of waste; cleaning streets and vacant lots; and clearing snow and ice. To clear litter, snow and ice from approximately 6,000 miles of City streets and remove debris from vacant lots and abandoned vehicles from City streets, DSNY operates 59 district garages and manages a fleet of over 2,200 sanitation trucks, 450 mechanical brooms and 690 small and large salt spreaders. DSNY is also responsible for leading the City's efforts to reduce waste deposited into landfills. As of September 2016, 9,113 employees were authorized to use agency vehicles and E-ZPasses issued by the Metropolitan Transportation Authority (MTA) for City business. In Fiscal Year 2016, DSNY spent approximately \$5 million on E-ZPass usage.

The audit found that DSNY did not properly monitor the use of E-ZPasses by its authorized drivers in accordance with applicable rules and regulations. Specifically, we found that DSNY did not maintain either a log or trip tickets detailing agency E-ZPass usage, both of which are required by the City's and DSNY's policies and procedures, and that DSNY did not keep accurate track of its E-ZPass tags. In addition, we found that DSNY is using vehicles on the National Highway Traffic Safety Administration (NHTSA) recall list. We found no issues concerning parking permit usage.

The report makes 14 recommendations to DSNY, including that DSNY should maintain both logs and trip tickets detailing E-ZPass usage as required by the City's regulations. DSNY should reinforce the policies and procedures detailing E-ZPass usage among employees. In addition, DSNY should ensure that employees fully reimburse DSNY for any personal use of a DSNY E-ZPass, including the cost of E-ZPass charges incurred for commuting and other non-business purposes. Further, DSNY should ensure that all current E-ZPass tags are properly documented and accounted for and document its issuance of replacement E-ZPass tags. DSNY should immediately contact the vehicles' manufacturers that have recalled DSNY vehicles and determine what steps should be taken to repair or return the vehicles to the manufacturer for repairs or retire vehicles that pose a safety hazard. Finally, DSNY should confirm that its vehicle dealers and manufacturers contact the NHTSA to inform that agency of repairs or recalls that have been cleared so that the database can be updated.

The results of the audit have been discussed with DSNY officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report. If you have any questions concerning this report, please e-mail my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in blue ink that reads "Scott M. Stringer".

Scott M. Stringer

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
Audit Findings and Conclusions	1
Audit Recommendations.....	2
AUDIT REPORT	4
Background	4
Objective.....	5
Scope and Methodology Statement.....	5
Discussion of Audit Results with DSNY	5
FINDINGS AND RECOMMENDATIONS.....	6
Failure to Monitor E-ZPass Usage as Required by the City.....	6
Failure to Adhere to the Policies for Documenting Pool Vehicles Usage as Required by the City.....	7
Failure to Recoup E-Z Pass Charges as Required by the City	8
Recommendation	9
Inadequate E-Z Pass Tag Tracking	10
Recommendation	10
OTHER MATTERS.....	11
Failure to Ensure City Vehicle Safety	11
Recommendations	13
DETAILED SCOPE AND METHODOLOGY.....	15

THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER AUDITS & SPECIAL REPORTS

Audit Report on the Department of Sanitation's Monitoring of Its Employees Who Use E-ZPasses and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business

SZ16-075A

EXECUTIVE SUMMARY

This audit was conducted to determine whether the New York City Department of Sanitation (DSNY) properly monitors its employees who use City-provided E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business in accordance with applicable rules and regulations.

DSNY is responsible for keeping New York City healthy, safe and clean by collecting, recycling and disposing of waste; cleaning streets and vacant lots; and clearing snow and ice. To clear litter, snow and ice from approximately 6,000 miles of City streets and remove debris from vacant lots and abandoned vehicles from City streets, DSNY operates 59 district garages and manages a fleet of over 2,200 sanitation trucks, 450 mechanical brooms and 690 small and large salt spreaders. DSNY is also responsible for leading the City's efforts to reduce waste deposited into landfills. As of June 30, 2016, DSNY had 10,222 employees, over 8,000 of whom were uniformed sanitation workers and supervisors, and an operating budget of approximately \$1.53 billion. As of September 2016, 9,113 employees were authorized to use agency vehicles and E-ZPasses issued by the Metropolitan Transportation Authority (MTA) for City business. In Fiscal Year 2016, DSNY spent approximately \$5 million for E-ZPass usage.

Audit Findings and Conclusions

We found that DSNY did not properly monitor the use of E-ZPasses by its authorized drivers in accordance with applicable rules and regulations. Specifically, we found that DSNY did not maintain either a log or trip tickets detailing agency E-ZPass usage, both of which are required by the City's and DSNY's policies and procedures, and that DSNY did not keep accurate track of its E-ZPass tags. In addition, we found that DSNY is using vehicles on the National Highway Traffic Safety Administration (NHTSA) recall list. We found no issues concerning parking permit usage.

Audit Recommendations

To address the findings raised in this audit, we made the following fourteen recommendations:

- DSNY should maintain both logs and trip tickets detailing E-ZPass usage as required by the City of New York's *City Vehicle Driver Handbook* (the Handbook).
- DSNY should ensure that its employees are properly completing trip tickets that record their vehicle and E-ZPass usage as required by the Handbook.
- DSNY should require its Agency Transportation Coordinator (ATC) to review and monitor trip tickets submitted by the employees to ensure that they are properly completed and can be used for overseeing vehicle and E-ZPass usage as required by the Handbook.
- DSNY should reinforce the policies and procedures detailing vehicle and E-ZPass usage among employees.
- DSNY should ensure employees fully reimburse DSNY for any personal use of a DSNY E-ZPass including the cost of E-ZPass charges incurred for commuting and other non-business purposes.
- DSNY should monitor and limit the personal use of City vehicles and recoup the full costs of the use of City vehicles for non-business purposes.
- DSNY should ensure all current E-ZPass tags are properly documented and accounted for and clearly document its issuance of replacement E-ZPass tags.
- DSNY should ensure that all deactivated E-ZPasses are collected and returned to the MTA.
- DSNY should determine if any deactivated E-ZPasses were previously used for non-business purposes and recoup the cost of each past personal use.
- DSNY should reconcile all E-ZPass statements to its list of E-ZPasses. E-ZPass tags that are found not to be current and active should be immediately deactivated and returned to the MTA.
- DSNY should ensure that all DSNY vehicles have the appropriate E-ZPass tags when going through tolls.
- DSNY should immediately contact the vehicles' manufacturers that have recalled DSNY vehicles and determine what steps should be taken to repair or, if necessary, return the vehicles to the manufacturer for repairs.
- DSNY should confirm that its vehicle dealers and manufacturers contacted NHTSA to inform that agency of repairs or recalls that have been cleared so the database can be updated.
- DSNY should retire vehicles that pose a safety hazard to its employees.

Agency Response

In its written response, DSNY generally agreed with the audit's findings and stated, "Thank you for the opportunity to review and comment on the five (5) major findings and fourteen (14) recommendations contained in your recent audit. . . . We request that you take our comments into consideration and reflect them in the final audit report." DSNY further stated, "The audit report

identified weaknesses that need to be addressed to prevent misuse and risk of loss to the agency.” The agency also stated in substance that it had taken steps to improve its E-ZPass inventory system and to incorporate the auditors’ recommendations where feasible.

AUDIT REPORT

Background

DSNY is responsible for keeping New York City healthy, safe and clean by collecting, recycling and disposing of waste; cleaning streets and vacant lots; and clearing snow and ice. To clear litter, snow and ice from approximately 6,000 miles of City streets and remove debris from vacant lots and abandoned vehicles from City streets, DSNY operates 59 district garages and manages a fleet of over 2,200 sanitation trucks, 450 mechanical brooms and 690 small and large salt spreaders. DSNY is also responsible for leading the City's efforts to reduce waste deposited into landfills. As of June 30, 2016, DSNY had 10,222 employees, including more than 8,000 uniformed sanitation workers and supervisors, and an operating budget of approximately \$1.53 billion. As of September, 2016, 9,113 employees, including non-uniformed sanitation employees, were authorized to use agency vehicles and E-ZPasses for City business.¹ DSNY has approximately 2,064 E-ZPass tags available to use. Of these, 51 are assigned to individual employees and the remainder are used for pool vehicles and collection trucks. In Fiscal Year 2016, DSNY spent approximately \$5 million on E-ZPass usage.

According to the Handbook² and DSNY's policies and procedures,³ only those employees who exercise reasonable care in operating City-owned or personally-owned vehicles are to be allowed to use them to conduct City business. Agency heads, through their agency's ATC, must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use have been authorized by the agency to drive. It is also the ATC's responsibility to ensure that those drivers have valid licenses. The drivers' licenses must be issued by New York State unless the employee is exempt from City residency requirements. In such a case, the authorized driver must have a valid license from the state where he/she resides and must have the appropriate classification for the vehicle that he/she is driving on City business. The Handbook further specifies that City agencies must establish programs that promote safety along with proper training in the use of motor vehicles.

E-ZPasses should be issued only to authorized drivers. All E-ZPass usage must be reported to and monitored by the ATC. Drivers are allowed to use a City-issued E-ZPass only when conducting official City business and in connection with the approved use of a City government vehicle or an authorized personal vehicle. Subsequently, the driver must completely fill out a vehicle trip ticket that details the name of the driver, date and time of usage, original starting point and destination, original and ending mileage, and the official City reason for vehicle and E-ZPass use. For collection vehicles, the supervisors in the garages are responsible for completing the trip tickets. Vehicle trip tickets are collectively maintained by the ATC as DSNY's vehicle trip log. E-ZPasses are issued by the MTA. The MTA sends detailed summary reports on travel to the designated agency E-ZPass representative for review.

Drivers must be aware of their agency's in-house procedures regarding the use of parking permits, including areas where City government vehicles are permitted to park. Parking permits must be properly displayed to ensure visibility through the windshield. Permits may only be used for official City business in connection with the assigned City government

¹ September 2016 Mayor's Management Report.

² The *City Vehicle Driver Handbook* was updated in May 2016 to reflect the change in City administration and to include the Vision Zero Plan. No other changes were made to the rules and regulations in the Handbook.

³ DSNY's policies and procedures regarding the use of City and personal vehicles for City business and the use of E-ZPasses mirror the regulations in the Handbook.

vehicle or an authorized personal vehicle, and only as described by the parking permit and any other accompanying instructions.

Objective

The objective of this audit was to determine whether DSNY properly monitors its employees who use City-provided E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business in accordance with applicable rules and regulations.

Scope and Methodology Statement

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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period of this audit was from January 1, 2015 through August 12, 2016. Our audit reviewed E-ZPass usage and parking permits issued during our scope period. The scope also included agency parking permits that were issued and surrendered from January 2011 through February 2016. Please refer to the Detailed Scope and Methodology at the end of this report for the specific procedures and tests that were conducted.

Discussion of Audit Results with DSNY

The matters covered in this report were discussed with DSNY officials during and at the conclusion of this audit. DSNY was also notified of our findings in writing during the course of the audit and agreed that there was no need to have an exit conference. On November 15, 2016, we submitted a draft report to DSNY with a request for comments. We received a written response from DSNY on November 30, 2016. In its response, DSNY stated, “Thank you for the opportunity to review and comment on the five (5) major findings and fourteen (14) recommendations contained in your recent audit. . . . We request that you take our comments into consideration and reflect them in the final audit report.” DSNY further stated, “The audit report identified weaknesses that need to be addressed to prevent misuse and risk of loss to the agency. DSNY also stated in substance that it had taken steps to improve the agency’s inventory system and to incorporate the auditors’ recommendations where feasible.

The full text of DSNY’s response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

We found that DSNY does not properly monitor the use of E-ZPasses by its authorized drivers in accordance with applicable rules and regulations. Therefore, DSNY cannot be assured that the \$5 million spent on E-ZPass usage during Fiscal Year 2016 was expended only for authorized City business. Further, we found that DSNY did not keep accurate track of its E-ZPass tags and that it had active vehicles on the NHTSA nationwide recall list. We found no issues concerning parking permit usage.⁴

Failure to Monitor E-ZPass Usage as Required by the City

DSNY does not properly monitor E-ZPass usage through appropriate use of either logs or trip tickets that detail agency E-ZPass usage as required by the City's and DSNY's policies and procedures. Therefore, DSNY cannot be assured that the \$5 million spent on E-ZPass usage during Fiscal Year 2016 was expended only for authorized City business.

According to §7.1 of the Handbook, *Issuance of E-ZPass*,

Issuance of an E-ZPass . . . is determined by the ATC and employees responsible for the E-ZPass must report all E-ZPass related issues to their ATC. Drivers are allowed to use a City sponsored E-ZPass only when conducting official City business and in connection with the approved use of a City Government Vehicle.

Drivers must keep a log of E-ZPass use and submit it to the agency representative responsible for monitoring use. When a pass is used, the driver must fill out a trip ticket detailing what it was used for and why it needed to be used so that accurate log books are maintained. Detailed summary reports on travel are produced by E-ZPass and submitted to the designated agency E-ZPass representative for review.⁵

We requested a copy of the log books and trip tickets that the drivers filled out that would detail the E-ZPass use and the purpose of the trips. In response, DSNY supplied monthly passenger vehicle reports and incomplete trip tickets.⁶ Moreover, DSNY failed to furnish any records for commercial vehicles (e.g., collection trucks) that also use E-ZPasses.

We found that the records DSNY did provide did not contain sufficient information about the use of the vehicles since they generally contained only the mileage traveled and did not contain other trip information. That practice violates the Handbook, which expressly requires records for each E-ZPass of the usage location and purpose. Such information was generally absent from the logs provided by DSNY.

By not ensuring that its drivers properly complete the trip tickets, DSNY cannot properly monitor its E-ZPass usage. The incomplete trip tickets contain insufficient information to enable DSNY to determine whether City vehicles and E-ZPasses are being used appropriately and only for

⁴ This opinion and report does not include our review of DSNY's controls regarding its drivers' driving behavior, which was addressed in a separate report.

⁵ Notwithstanding the Handbook's distinction in places of "trip tickets" and "logs," it appears to frequently use the terms "log," "trip tickets," and "trip report" interchangeably.

⁶ DSNY's monthly passenger vehicle reports do not include daily information regarding each vehicle and E-ZPass usage. They do contain information regarding the driver, vehicle, operator's assignment, housing location, commuting and the aggregate weekly and monthly mileage usage.

authorized City business purposes. All DSNY employees approved to drive a government-issued vehicle, including collection trucks that require the use of E-Z Passes, should maintain a log or trip tickets of the vehicle and E-ZPass use.

DSNY Response: “We agree that the tracking of “revenue class” E-Z Pass activity in the light duty fleet needs to be strengthened and the Agency has taken steps to address recording and reconciliation of usage.”

Currently, the Department does have an Operations Order 99-05 (see attached) titled “E-Z Pass Program for the Bureau of Cleaning and Collections.” This order is currently being reviewed and revised to pertain to all Agency units. The newly updated order will be reissued and will remain in effect until the implementation of an electronic recording system that is currently in development.”

Upon full implementation, the above mentioned Order will be rescinded and a new one issued to reflect the electronic system. This electronic web application will require the user, or Officer assigning the E-Z Pass, to record via a mobile device or desktop computer the date, shift, location to and from, E-Z Pass number, job function, vehicle ID, and crossing. This web application will enhance and strengthen our monitoring of E-Z Pass usage while eliminating a paper based system. In addition to recording crossings this data will be incorporated into existing systems to allow reconciliation of reported use compared to E-Z Pass billing. Ultimately when implementation is complete, this two part electronic system will allow for daily usage and billing reconciliations.”

Auditor Comment: We agree that DSNY’s older policies and procedures should be reviewed and revised. DSNY should not only track the E-ZPass usage for revenue vehicles but for the non-revenue as well. We found 410 instances (see finding number four) where the collection trucks went through tolls without an E-ZPass. These collection trucks were tracked and billed via cameras and the vehicles’ license plates. Therefore, DSNY should maintain logs and trip tickets of all its vehicles.

Failure to Adhere to the Policies for Documenting Pool Vehicles Usage as Required by the City

DSNY does not properly record pooled vehicle usage in accordance with requirements contained in the Handbook and DSNY’s own procedures.⁷ We found that DSNY did not maintain proper logs or trip tickets detailing temporary vehicle usage as required by the City’s and DSNY’s policies and procedures. These are the same records that should be used to document E-ZPass usage. According to §3.3 of the Handbook, *Temporary assignment of (pooled) vehicles*,

If a driver requires the temporary assignment of a vehicle, the driver must explain the need for the vehicle, as well as the planned period of use. Once assigned the vehicle, the driver must fill out a trip report to be submitted to the ATC, indicating the purpose of the trip, the destination, the beginning and ending odometer readings and the vehicle’s condition upon pickup and return. Failure to complete a trip report may disqualify the driver from future use of City Government Vehicles.

⁷ Agency vehicles that are not assigned to a specific employee are considered “pool vehicles.”

We requested copies of the trip reports that DSNY drivers filled out containing the temporarily assigned vehicle's odometer readings, destination, condition, and trip purpose. In response, DSNY supplied 6,674 monthly passenger vehicle reports and incomplete daily trip reports that contained vehicle mileages and little else, notwithstanding the Handbook's and DSNY's rules that specifically require additional information, and notwithstanding the fact that DSNY's trip report forms contain spaces for the driver to fill out the vehicle number, license, operator's name, operator's assignment, housing location, odometer reading and if the vehicle was used for commuting. Our review of these documents found that, while odometer readings were recorded, the vehicle's condition was left blank, and destination and trip purpose were either blank or contained insufficient information to identify the trip's purpose and destination, such as a driver's merely noting "DSV" (district site visit). In the section entitled "operator's assignment," DSNY employees either indicated "various," or left the section blank.

As noted above, the fact that these trip reports do not contain complete information prevents DSNY from being able to determine whether City vehicles and E-ZPasses are being used appropriately and only for authorized City business purposes. Absent that information, the City cannot be assured that it is paying only for properly authorized usage. Improper use of E-ZPasses could result in theft of government resources and cost the City an indeterminable amount of money.

DSNY Response: "The Department has an established General Order 86-15 (see attached), titled 'Procedures for the Auditing and Recording of Department Passenger Vehicle Activities,' that governs the use of Department-owned vehicles utilized for both work-related and private use. This order will be reviewed and reissued to ensure compliance. This order outlines the proper use of a Passenger Vehicle Log, Mileage Summary Report, and the Monthly Passenger Vehicle Report. The reissued order will remain in effect until the implementation of an electronic trip and E-Z Pass recording system currently in development. . . ."

Failure to Recoup E-ZPass Charges as Required by the City

According to §7.1.4 of the Handbook, *Reimbursement of E-ZPass Charges*, "Agencies receive monthly E-ZPass statements. Drivers are responsible for reimbursement to the agency for any charges incurred while not performing official City business. Drivers are reminded that abuse of a City sponsored E-ZPass is prohibited and may lead to disciplinary proceedings." As discussed above, DSNY does not ensure that its drivers properly complete the trip tickets in a manner that would allow the agency to determine whether its drivers used vehicles and E-ZPasses for non-business purposes or to recoup any such unauthorized E-ZPass charges.

By not ensuring that trip tickets are completed properly, DSNY deprives itself of the information that would allow it to seek recoupment for improper use of the E-ZPasses. Further, DSNY officials stated that it is not their practice to seek reimbursement from employees for non-business-related E-ZPass usage. By declining to maintain mandated records and require its employees to pay for personal use of its E-ZPasses, DSNY may have inappropriately paid for commuting and other non-business-purpose charges to its EZ-Pass account by former and current employees who misused agency tags.

DSNY Response: "DSNY is in the process of updating its procedures for the recording and tracking of vehicle and E-Z Pass usage as stated above. The Agency will create a process that will log and generate reports to be reviewed by supervisory personnel, E-

Z Pass Account Managers, and by the ATC's Office to identify any non-business use.”

Although the auditors' results indicate that employees are not properly completing trip tickets and usage logs, we are not aware of any instances where employees have used the Agency's E-Z Pass for non-business related activities. If any such activity is discovered, the agency will ensure that the appropriate steps are taken to recoup any reimbursement due.”

Recommendations

1. DSNY should maintain both logs and trip tickets detailing E-ZPass usage as required by the City of New York's *City Vehicle Driver Handbook*.
2. DSNY should ensure that its employees are properly completing trip tickets that record their vehicle and E-ZPass usage as required by the Handbook.
3. DSNY should require its ATC to review and monitor trip tickets submitted by the employees to ensure that they are properly completed and can be used for overseeing vehicle and E-ZPass usage as required by the Handbook.

DSNY Response: “DSNY will reissue established orders regarding the recording of E-Z Pass usage, ensuring they meet the requirements of the Handbook and generally accepted best practices.

DSNY has made, and continues to make, significant upgrades to our E-Z Pass tracking and monitoring process including, among other things, the development of a dashboard on the Department's Oracle Business Intelligence (OBI) system that will improve our reporting of E-Z Pass usage. The dashboard provides 'real-time' data activity in the following areas with respect to E-Z Pass usage as reported by MTA.”

4. DSNY should reinforce the policies and procedures detailing vehicle and E-ZPass usage among employees.

DSNY Response: “DSNY is updating the procedures that govern the use of Agency fleet vehicles and E-Z Passes and will educate all staff on the policies and procedures with regular reinforcement of best practices via internal messaging on DSNY's computerized message system.”

5. DSNY should ensure employees fully reimburse DSNY for any personal use of a DSNY E-ZPass including the cost of E-ZPass charges incurred for commuting and other non-business purposes.
6. DSNY should monitor and limit the personal use of City vehicles and recoup the full costs of the use of City vehicles for non-business purposes.

DSNY Response: “DSNY is in the process of building improved reporting and reconciliation reports as described earlier to better recognize the occurrences of personal use by employees. As they are reported and discovered, the Agency will seek full reimbursement.”

Inadequate E-ZPass Tag Tracking

DSNY does not adequately track its E-ZPass tags. As a result, we found that 58 E-ZPass tag numbers listed on monthly statements of E-Z-Pass usage issued by the MTA were not listed in DSNY's E-ZPass records maintained by the ATC.

We reviewed the E-ZPass statements DSNY received from the MTA for June 2015 through August 2015, and January 2016 through March 2016, and found that the statements listed 58 E-ZPass tag numbers and related license plate numbers that were not on DSNY's list of E-ZPasses or listed as replacement tags for old or non-working tags. We confirmed with the New York State Department of Motor Vehicle that these license plate numbers were issued to DSNY and concluded that these 58 E-ZPass tags also were issued to DSNY.

To ensure that the E-ZPass tags are not being utilized inappropriately, DSNY must keep track of all its E-ZPass tags. DSNY should review the monthly statements it receives from the MTA to reconcile its list of E-ZPass tags with the tags it is paying for and determine whether the tags are being used in the vehicles to which they are assigned.

During the course of the audit, we notified DSNY of the 58 E-ZPass tags that were not on its list of E-ZPasses. On September 30, 2016, DSNY officials informed us that they requested that the MTA deactivate 50 of 58 E-ZPass tags, they were still researching the whereabouts of seven E-ZPass tags, and one E-ZPass tag was active. Although DSNY is now taking action to deactivate those E-ZPasses that are no longer issued for official use, the agency should ensure that it continually monitors and accounts for all of its E-ZPass tags going forward. In addition, it should determine where the 50 passes that it has asked the MTA to deactivate are and whether any unauthorized use was made of them that should be reimbursed to the City. If it finds unauthorized use, it should seek reimbursement for it where possible.

Finally, when reviewing the E-ZPass statements, we found 416 instances where a DSNY vehicle passed through E-ZPass tolls without an E-Z pass tag. DSNY should determine why its vehicles did not have an E-ZPass tag when going through tolls.

DSNY Response: "Since the audit began, DSNY has strengthened the controls to manage the more than 1,800 active tags in its inventory. The 3% discrepancy found on the inventory listing from MTA has been remedied. The improved inventory controls will help identify and resolve issues in inventory datasets held by DSNY and MTA."

Recommendations

7. DSNY should ensure all current E-ZPass tags are properly documented and accounted for and clearly document its issuance of replacement E-ZPass tags.

DSNY Response: "DSNY has worked closely with MTA and units within the Department to reconcile the physical inventory of E-Z Passes. The Agency has worked with the MTA to restructure the account and consolidate them for better monitoring and control. Account Managers have been assigned, the inventory has been centralized, and inventory control procedures have been strengthened."

8. DSNY should ensure that all deactivated E-ZPasses are collected and returned to the MTA.

DSNY Response: "DSNY has strengthened inventory control procedures to ensure all de-activated passes are returned to MTA."

9. DSNY should determine if any deactivated E-ZPasses were previously used for non-business purposes and recoup the cost of each past personal use.

DSNY Response: “DSNY is reviewing the activity of the deactivated tags. If any non-business use is identified, the Agency will seek reimbursement.”

10. DSNY should reconcile all E-ZPass statements to its list of E-ZPasses. E-ZPass tags that are found not to be current and active should be immediately deactivated and returned to the MTA.

DSNY Response: “DSNY has worked closely with MTA and units within the Department to reconcile the physical inventory of E-Z Passes. E-Z Pass tags that were found not to be current and active were immediately deactivated and returned to the MTA.”

11. DSNY should ensure that all DSNY vehicles have the appropriate E-ZPass tags when going through tolls.

DSNY Response: “A number of E-Z Pass tags are being converted to a fixed mount style. These passes have been converted in Districts that incur the most toll usage due to disposal vendor locations. For pool pass usage, DSNY issues tags as needed for Agency business use and will strengthen messaging on affixing tags properly to windshields for all units that have not been converted to the fixed mount units.”

OTHER MATTERS

Failure to Ensure City Vehicle Safety

In the course of gathering information for the audit, we learned that DSNY has allowed vehicles listed on the NHTSA recall database to be used without ensuring that they were promptly repaired or retired. In addition, DSNY has failed to ensure that its drivers indicate the condition of the vehicle on the trip logs. According to §2.2 of the Handbook, *Safe Operation of a City Government Vehicle*, drivers should “not operate a vehicle with a known or obvious safety problem.”

When we searched the NHTSA’s recall database⁸ for the 5,948 Vehicle Identification Numbers (VINs) for the vehicles assigned to DSNY, we found that DSNY currently operates 509 vehicles that have an open recall. The basis for these recalls include potential significant safety hazards such as unsafe air bags (deploying without impact), seat belt failures, and brake failures. For example, the 2015 Ford Escape’s recall states, “It may be possible for the engine to continue to run after turning the ignition key, it to the ‘OFF’ position and removing the key on vehicles with standard ignition keys or after pressing the engine start/stop.” The recall also states that the safety risk is that a vehicle that can be operated without a key increases the risk of unintended vehicle movement or risk of being stolen.

Table I illustrates the manufacturer, the year, and the number of vehicles in DSNY’s fleet that are on the NHTSA recall list as of August 2016.

⁸ The NHTSA database lists the open recalls for the specific vehicle. A vehicle has an open recall if there is an unresolved national recall for that vehicle. After any appropriate changes or repairs are made to the vehicle, the recall no longer appears in NHTSA’s database.

Table I

National Highway Traffic Safety Administration Recall

Type of Vehicle	Year(s) of the Vehicle	Number of Vehicles in Fleet
Chevrolet	2005,2010	14
Ford	1997,1999,2001,2002,2003,2005,2006,2007,2008,2009,2010,2012,2013,2014,2015	361
GMC	2007	2
Honda	2006	2
Nissan	2013	1
Torja	2005	1
Toyota	2004,2005,2007,2008,2009	37
Various	2007 2008,2009,2010,2011,2012,2013	91
Total		509

As shown in Table I, which is based on information contained in its list of vehicles in active use, DSNY has vehicles in use from as far back as 1997. The age of the oldest vehicles alone suggests that they should no longer be in use. In addition, every vehicle on this list should have been repaired or retired from use following the issuance of the NHTSA recall notices. However, these vehicles are on DSNY's active list and may be used daily. By not immediately addressing the conditions identified in the recall notices, drivers may be at risk of harm or injury. NHTSA recommends that each owner take their vehicle to the appropriate dealer (e.g. Ford, Honda, GMC) and have the issues repaired.

During the course of the audit, we notified DSNY of the 509 vehicles that were on the NHTSA recall list. In its response, DSNY officials stated that all 509 vehicles were in various stages of needing repairs. For example, they stated that as of September 30, 2016, 118 of 219 vehicles that required seat belts/air bags were still pending action. Moreover, DSNY provided a letter from a Nissan dealer stating that parts were not available. However, DSNY did not give any indication whether these vehicles were taken out of service, nor did it indicate the conditions and the repair status of all 509 vehicles.

According to NHTSA, vehicles that are on the recall list must be repaired and NHTSA must be notified by the dealer/manufacturer or the repair shop. The vehicle will remain on the NHTSA recall list until such notification is made.

DSNY Response: "DSNY has updated trip logs used by drivers to capture vehicle condition. Vehicle operators routinely report mechanical issues and vehicles are taken out of service and repaired. The safety of our employees is of the utmost importance to the agency, and the agency maintains one of the most comprehensive preventative maintenance schedules in the city. DSNY will improve its monitoring of NHTSA recall datasets and work with our vehicle vendors as well as manufacturers to ensure that any repairs or recalls are done in a timely manner."

Furthermore the footnote number 8 on Page 8 of the audit report states, 'The NHTSA database lists the open recalls for the specific vehicle. A vehicle has an open recall if there is an unresolved recall for that vehicle. After any appropriate changes or repairs are made to the vehicle, the recall no longer appears in NHTSA's database.' However, according to Title 49 Chapter 301 and the Safety Recall Compendium, the open recall list would only be updated after the vehicle manufacturer notifies NHTSA, and they are only required to do so once a quarter. As a result, the NHTSA database may incorrectly show open recalls for a period of time after the recalls are completed."

"In the first nine months of 2016, DSNY was able to satisfy 120 vehicle safety recalls. The Department is working with dealers and manufacturers to expediently close out all outstanding recalls."

Auditor Comment: DSNY did not submit any documentation to substantiate or identify the 120 vehicles it claims have been repaired during the first nine months of 2016. Prior to the issuance of the draft report on November 30, 2016, the auditors checked the NHTSA database and checked with the manufacturers to determine whether any of the 509 vehicles had been repaired and found they were still listed as open recalls. As of January 11, 2017, the NHTSA database still has these 509 vehicles as open recalls. While DSNY states that the manufacturers are only required to report the repairs once a quarter, an entire year has passed and these DSNY vehicles still are not repaired, according to the NHTSA database

Recommendations

12. DSNY should immediately contact the vehicles' manufacturers that have recalled DSNY vehicles and determine what steps should be taken to repair or if necessary to return the vehicle to manufacturer for repairs.

DSNY Response: "DSNY has updated trip logs used by drivers to capture vehicle condition. Vehicle operators routinely report mechanical issues and vehicles are taken out of service and repaired. The safety of our employees is of the utmost importance to the agency, and the agency maintains one of the most comprehensive preventative maintenance schedules in the city. DSNY will improve its monitoring of NHTSA recall datasets and work with our vehicle vendors as well as manufacturers to ensure that any repairs or recalls are done in a timely manner."

13. DSNY should confirm that its vehicle dealers and manufacturers contacted NHTSA to inform that agency of repairs or recalls that have been cleared so the database can be updated.

DSNY Response: "DSNY has communicated with manufacturers and with the vehicle dealers requesting that the NHTSA database is updated to correctly reflect the current recall status of all DSNY vehicles. Taking the Office of the Comptroller's recommendations into consideration, DSNY contacted the NHTSA Deputy Regional Administrator. Due to the fact that the process for recall and remedy notification is regulated by law and NHTSA internal policies, DSNY may not report on recalls to NHTSA directly. DSNY will work with the manufacturers and NHTSA to increase the efficiency in the flow of information about recalls and remedies."

14. DSNY should retire vehicles that pose a safety hazard to its employees.

DSNY Response: “DSNY routinely condemns vehicles that have exceeded fleet lifecycle standards and those that are damaged to an extent that the safety of an operator is compromised.”

Auditor Comment: While DSNY claims that it routinely condemns vehicles that have exceeded fleet life cycle standards to ensure the safety of an operator, we found vehicles that were over 15 years old that were on the NHTSA recall list that were in use. Accordingly, we recommend that DSNY retire vehicles that pose safety hazards to its employees.

DETAILED SCOPE AND METHODOLOGY

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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period of this audit was from January 1, 2015, through August 12, 2016. Our audit reviewed E-ZPass usage and parking permits issued in our scope period. The scope also included agency parking permits that were issued and surrendered from January 2011 through February 2016.

To meet our objective, we obtained and reviewed the updated Handbook, which was issued February 2014 and updated May 2016, and DSNY's policies and procedures. To determine whether DSNY monitored its drivers' E-ZPass usage and parking permits in accordance with the Handbook, we obtained and reviewed the following: 1) a list of all E-ZPasses issued to the agency and the associated license plates; 2) a copy of the agency's E-ZPass bills for the scope period; 3) a copy of all vehicle usage trip logs, tickets, reports and monthly passenger vehicle reports during our scope; 4) a list of all parking permits and the vehicles they were assigned to; and 5) a list of all employees for the agency who were authorized to drive on City business during the scope period.

To assess the reliability of the database of E-ZPasses received from the agency, we matched the MTA E-ZPass billing statements to the vehicle trip logs for the agency where available. In addition, we verified the number of City vehicles with the appropriate purchasing agent. We also verified the account with the MTA and compared this to the number of E-ZPasses issued and surrendered during our scope period.

To determine whether DSNY effectively monitored its E-ZPass usage, we examined whether the E-ZPass was used during normal agency business hours. We reviewed all the E-ZPass bills and compared the dates to the January 1, 2015 through March 31, 2016 calendars to determine if an E-ZPass was used on a weekend or holiday. We determined that vehicle traffic for DSNY collection trucks were not necessarily performed on a nine to five business schedule, therefore late hours were permitted. If an E-ZPass was used, we determined whether proper authorization was given for its use. We also checked the vehicle trip log (where applicable) to determine if a City vehicle was used. If a personal vehicle was used, we determined whether the employee was reimbursed for mileage and tolls or just mileage in accordance with regulations. In addition, we checked the New York City Payroll Management System to determine whether the assigned driver was an employee of the agency and not on leave during the period of E-ZPass usage. Furthermore, we checked to ensure that each E-ZPass was active during the scope period. We reviewed records to determine whether DSNY drivers used their E-ZPasses only while performing official City business.

To determine the safety of the 5,948 DSNY vehicles we reviewed the NHTSA's recall database.

To determine whether DSNY effectively monitored its parking permits, we reviewed 329 parking permits to determine if each parking permit issued by the agency to the employee was attached to a City vehicle or personally-owned vehicle from January 2011 through February 2016. It was

determined that parking permits were issued to individual employees rather than a vehicle. We, reviewed DSNY's authorization for the employee with that parking permit. We reviewed whether each employee assigned a parking permit had any outstanding parking tickets. In addition, we received a list of all the parking permits from the agency and verified that listing with the Department of Transportation to ensure that DSNY had given us a complete list. Further, we ensured that DSNY had accounted for the appropriate number of parking permits.



sanitation

Kathryn Garcia Commissioner

125 Worth Street
Room 720
New York, NY 10013
nyc.gov/sanitation

646.885.4974
kgarcia@dsny.nyc.gov

November 30, 2016

The Honorable Marjorie Landa
Deputy Comptroller for Audit
Office of the Comptroller
1 Centre Street, Room #1100
New York, NY 10007

Re: Audit Report on the NYC Department of Sanitation's Monitoring of its Employees Who use E-Z Passes and Parking Permit while driving City-Owned or Personally-Owned Vehicles on City Business (Audit Number SZ16-075A), dated November 15, 2016.

Dear Deputy Comptroller Landa,

Thank you for the opportunity to review and comment on the five (5) major findings and fourteen (14) recommendations contained in your recent audit on the "Department of Sanitation's Controls over its Employees Who use E-Z Passes and Parking Permit while driving City-Owned or Personally-Owned Vehicles on City Business." Attached are our responses to the Draft Audit Report.

We request that you take our comments into consideration and reflect them in the final audit report.

Sincerely,

A handwritten signature in black ink that reads "Kathryn Garcia". The signature is fluid and cursive, with the first name "Kathryn" and the last name "Garcia" clearly distinguishable.

Kathryn Garcia
Commissioner

DSNY has reviewed the Draft “Audit Report on the New York City Department of Sanitation’s Monitoring of its Employees Who Use E-Z Passes and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business (#SZ16-075A),” dated November 15, 2016. The audit report identified weaknesses that need to be addressed to prevent misuse and risk of loss to the agency. We have taken to improve our inventory system and to incorporate your recommendations where feasible. Our responses to your specific findings and recommendations are outlined below.

Finding #1

Failure to Monitor E-Z Pass Usage as Required by the City

DSNY does not properly monitor E-Z Pass usage through appropriate use of either logs or trip tickets that detail agency E-Z Pass usage as required by the City’s and DSNY’s policies and procedures. Therefore, DSNY cannot be assured that the \$5 million spent on E-Z Pass usage during Fiscal Year 2016 was expended only for authorized City business.

Agency Response

DSNY’s use of E-Z Pass is for official business. The majority of E-Z Pass expenditures each Fiscal Year are for travel of refuse or recycling collection vehicles in route to disposal vendors in New Jersey. E-Z Passes on collection vehicles make up the “non-revenue class” of E-Z Pass activity, as these units are charged for Port Authority crossings but not Metropolitan Transportation Authority crossings. This travel normally requires tolls in excess of \$60 per transaction due to the number of axles and gross vehicle weight. DSNY records the issuance of E-Z Passes to DSNY trucks and further documents the necessity of the crossing by keeping transaction receipts from the disposal location. To date in Fiscal Year 2017, these crossings account for 91 percent of all E-Z Pass expenditures.

We agree that the tracking of “revenue class” E-Z Pass activity in the light duty fleet needs to be strengthened and the Agency has taken steps to address recording and reconciliation of usage.

Currently, the Department does have an Operations Order 99-05 (see attached) titled “E-Z Pass Program for the Bureau of Cleaning and Collections.” This order is currently being reviewed and revised to pertain to all Agency units. The newly updated order will be reissued and will remain in effect until the implementation of an electronic recording system that is currently in development.

Upon full implementation, the above mentioned Order will be rescinded and a new one issued to reflect the electronic system. This electronic web application will require the user, or Officer assigning the E-Z Pass, to record via a mobile device or desktop computer the date, shift, location to and from, E-Z Pass number, job function, vehicle ID, and crossing. This web application will enhance and strengthen our monitoring of E-Z Pass usage while eliminating a paper based system. In addition to recording crossings this data will be incorporated into existing systems to allow reconciliation of reported use compared to E-Z Pass billing. Ultimately when implementation is complete, this two part electronic system will allow for daily usage and billing reconciliations.

Finding #2**Failure to Adhere to the Policies for Documenting Pool Vehicles Usage as Required by the City**

DSNY does not properly record pooled vehicle usage in accordance with requirements contained in the Handbook and DSNY's own procedures. We found that DSNY did not maintain proper logs or trip tickets detailing temporary vehicle usage as required by the City's and DSNY's policies and procedures. These are the same records that should be used to document E-Z Pass usage. According to §3.3 of the Handbook, Temporary assignment of (pooled) vehicles, that section of the Handbook specifically requires that:

"If a driver requires the temporary assignment of a vehicle, the driver must explain the need for the vehicle, as well as the planned period of use. Once assigned the vehicle, the driver must fill out a trip report to be submitted to the ATC, indicating the purpose of the trip, the destination, the beginning and ending odometer readings and the vehicle's condition upon pickup and return. Failure to complete a trip report may disqualify the driver from future use of City Government Vehicles."

Agency Response

The Department has an established General Order 86-15 (see attached), titled "Procedures for the Auditing and Recording of Department Passenger Vehicle Activities," that governs the use of Department-owned vehicles utilized for both work-related and private use. This order will be reviewed and reissued to ensure compliance. This order outlines the proper use of a Passenger Vehicle Log, Mileage Summary Report, and the Monthly Passenger Vehicle Report. The reissued order will remain in effect until the implementation of an electronic trip and E-Z Pass recording system currently in development (see Agency Response to Finding #1 above).

Finding #3**Failure to Recoup E-Z Pass Charges as Required by the City**

According to §7.1.4 of the Handbook, *Reimbursement of E-Z Pass Charges*, "Agencies receive monthly E-Z Pass statements. Drivers are responsible for reimbursement to the agency for any charges incurred while not performing official City business. Drivers are reminded that abuse of a City sponsored E-Z Pass is prohibited and may lead to disciplinary proceedings." As discussed above, DSNY does not ensure that its drivers properly complete the trip tickets in a manner that would allow the agency to determine whether its drivers used vehicles and E-Z Passes for non-business purposes or to recoup any such unauthorized E-Z Pass charges.

By not ensuring that trip tickets are completed properly, DSNY deprives itself of the information that would allow it to seek recoupment for improper use of the E-Z Passes. Further, DSNY officials stated that it is not their practice to seek reimbursement from employees for non-business-related E-Z Pass usage. By declining to maintain mandated records and require its employees to pay for personal use of its E-Z Passes, DSNY may have inappropriately paid for commuting and other non-business-purpose charges to its E-Z Pass account by former and current employees who misused agency tags.

Agency Response

DSNY is in the process of updating its procedures for the recording and tracking of vehicle and E-Z Pass usage as stated above. The Agency will create a process that will log and generate reports to be reviewed by supervisory personnel, E-Z Pass Account Managers, and by the ATC's Office to identify any non-business use.

Although the auditors' results indicate that employees are not properly completing trip tickets and usage logs, we are not aware of any instances where employees have used the Agency's E-Z Pass for non-business related activities. If any such activity is discovered, the agency will ensure that the appropriate steps are taken to recoup any reimbursement due.

Finding #4

Inadequate E-Z Pass Tag Tracking

DSNY does not adequately track its E-Z Pass tags. As a result, we found that 58 E-Z Pass tag numbers listed on monthly statements of E-Z-Pass usage issued by the MTA were not listed in DSNY's E-Z Pass records maintained by the ATC.

Agency Response

Since the audit began, DSNY has strengthened the controls to manage the more than 1,800 active tags in its inventory. The 3% discrepancy found on the inventory listing from MTA has been remedied. The improved inventory controls will help identify and resolve issues in inventory datasets held by DSNY and MTA.

We have been conducting our own internal review of the E-Z Pass system in order to reconcile the tag inventory and improve the current process. To date, we have consolidated the forty accounts into seven main accounts and have assigned Account Managers to each account. The Account Managers will be responsible for monitoring the usage of tags, maintaining inventory, and other administrative functions.

The Agency is also developing an electronic E-Z Pass Inventory Management System. This system will house and centralize all inventory information whereby all business users report to one person all transactions affecting E-Z Pass physical inventory. All lost, stolen, and deactivated passes will be reported through the Account Managers to the Chief of Bureau Operations. The Bureau Operations Office will ultimately be responsible for reorders, replacements, cancellations, and processing of new requests. This is the only unit that will interact with the MTA regarding E-Z Pass Inventory. They will also manage the electronic application that records any changes as they occur.

Other Matters

Finding #5

Failure to Ensure City Vehicle Safety

In the course of gathering information for the audit, we learned that DSNY has allowed vehicles listed on the NHTSA recall database to be used without ensuring that they were promptly

repaired or retired. In addition, DSNY has failed to ensure that its drivers indicate the condition of the vehicle on the trip logs. According to §2.2 of the Handbook, Safe Operation of a City Government Vehicle, drivers should “not operate a vehicle with a known or obvious safety problem.”

Agency Response

DSNY has updated trip logs used by drivers to capture vehicle condition. Vehicle operators routinely report mechanical issues and vehicles are taken out of service and repaired. The safety of our employees is of the utmost importance to the agency, and the agency maintains one of the most comprehensive preventative maintenance schedules in the city. DSNY will improve its monitoring of NHTSA recall datasets and work with our vehicle vendors as well as manufacturers to ensure that any repairs or recalls are done in a timely manner.

Furthermore the footnote number 8 on Page 8 of the audit report states, “The NHTSA database lists the open recalls for the specific vehicle. A vehicle has an open recall if there is an unresolved recall for that vehicle. After any appropriate changes or repairs are made to the vehicle, the recall no longer appears in NHTSA’s database.” However, according to Title 49 Chapter 301 and the Safety Recall Compendium, the open recall list would only be updated after the vehicle manufacturer notifies NHTSA, and they are only required to do so once a quarter. As a result, the NHTSA database may incorrectly show open recalls for a period of time after the recalls are completed.

At the time of the Audit, DSNY had 162 vehicles pending for seat belt and airbag related safety recalls. Two of these vehicles were at a Nissan dealership for three months due to unavailability of parts. In another case, one Ford safety recall superseded another earlier recall. Ford issued a Restraint Control Module Reflash (Ford Recall # 14S04) that involved 140 DSNY fleet vehicles. DSNY had addressed 123 of the 140 affected vehicles. Ford then superseded its recall with another one that actually cited the replacement of the Restraint Control Module Replacement (Ford Safety Recall #14S21) causing DSNY to reschedule the return of the affected group of 140 vehicles to the dealerships for attention.

In the first nine months of 2016, DSNY was able to satisfy 120 vehicle safety recalls. The Department is working with dealers and manufacturers to expediently close out all outstanding recalls.

Audit Recommendations and Agency Responses

The Agency should:

Recommendation #1

DSNY should maintain both logs and trip tickets detailing E-Z Pass usage as required by the City of New York’s City Vehicle Driver Handbook.

Agency Response

DSNY will reissue established orders regarding the recording of E-Z Pass usage, ensuring they meet the requirements of the Handbook and generally accepted best practices.

DSNY has made, and continues to make, significant upgrades to our E-Z Pass tracking and monitoring process including, among other things, the development of a dashboard on the Department's Oracle Business Intelligence (OBI) system that will improve our reporting of E-Z Pass usage. The dashboard provides "real-time" data activity in the following areas with respect to E-Z Pass usage as reported by MTA:

E-Z Pass Transaction Reporting – The report will include all E-Z Pass transactions by tag activity at all crossings. Provides the following transaction information:

- Date of transaction.
- Entry and exit plaza and/or lane.
- Toll violation activity.
- Dollar amount of each toll amount.
- Minimum/maximum account balances at the time of crossing for all seven DSNY E-Z Pass accounts.

E-Z Pass Violation Reporting – Provides the Agency the following information on all E-Z Pass violations:

- Violation date and time.
- Associated DSNY account number.
- Place of violation occurrence.

E-Z Pass Account Summary – Provides up-to-date account information for all seven DSNY E-Z Pass accounts such as:

- Dollar balance for each DSNY account.
- Account replenishment amount.
- Threshold of replenishment.
- Date last replenished.
- Number of violations due, by account.
- Account contact information – name, email, phone number, and address.
- Account messages, i.e., "Your credit card has expired."

E-Z Pass Violation Recording Application – Provides the following:

- Records all E-Z Pass Violations.
- Electronic notifications to Account Managers about violations.
- Records when the payment was posted for the violation.
- The ability to run reports and queries.

With respect to documenting individual E-Z Pass usage see Agency Response to Finding # 1.

Recommendation #2

DSNY should ensure that its employees are properly completing trip tickets that record their vehicle and E-Z Pass usage as required by the Handbook.

Agency Response

See Agency Response to Finding #1.

Recommendation #3

DSNY should require its ATC to review and monitor trip tickets submitted by the employees to ensure that they are properly completed and can be used for overseeing vehicle and E-Z Pass usage as required by the Handbook.

Agency Response

See Agency Response to Finding #1.

Recommendation #4

DSNY should reinforce the policies and procedures detailing vehicle and E-Z Pass usage among employees.

Agency Response

DSNY is updating the procedures that govern the use of Agency fleet vehicles and E-Z Passes and will educate all staff on the policies and procedures with regular reinforcement of best practices via internal messaging on DSNY's computerized message system.

See Agency Response to Finding #2.

Recommendation #5

DSNY should ensure employees fully reimburse DSNY for any personal use of a DSNY E-Z Pass including the cost of E-Z Pass charges incurred for commuting and other non-business purposes.

Agency Response

DSNY is in the process of building improved reporting and reconciliation reports as described earlier to better recognize the occurrences of personal use by employees. As they are reported and discovered, the Agency will seek full reimbursement.

See Agency Response to Finding #3.

Recommendation #6

DSNY should monitor and limit the personal use of City vehicles and recoup the full costs of the use of City vehicles for non-business purposes.

Agency Response

See Agency Response to Recommendation #5.

Recommendation #7

DSNY should ensure all current E-Z Pass tags are properly documented and accounted for and clearly document its issuance of replacement E-Z Pass tags.

Agency Response

DSNY has worked closely with MTA and units within the Department to reconcile the physical inventory of E-Z Passes. The Agency has worked with the MTA to restructure the account and consolidate them for better monitoring and control. Account Managers have been assigned, the inventory has been centralized, and inventory control procedures have been strengthened.

See Agency Response to Finding #4.

Recommendation #8

DSNY should ensure that all deactivated E-Z Passes are collected and returned to the MTA.

Agency Response

DSNY has strengthened inventory control procedures to ensure all de-activated passes are returned to MTA.

See Agency Response to Finding #4.

Recommendation #9

DSNY should determine if any deactivated E-Z Passes were previously used for non- business purposes and recoup the cost of each past personal use.

Agency Response

DSNY is reviewing the activity of the deactivated tags. If any non-business use is identified, the Agency will seek reimbursement.

Recommendation #10

DSNY should reconcile all E-Z Pass statements to its list of E-Z Passes. E-Z Pass tags that are found not to be current and active should be immediately deactivated and returned to the MTA.

Agency Response

DSNY has worked closely with MTA and units within the Department to reconcile the physical inventory of E-Z Passes. E-Z Pass tags that were found not to be current and active were immediately deactivated and returned to the MTA.

See Agency Response to Finding #4.

Recommendation #11

DSNY should ensure that all DSNY vehicles have the appropriate E-Z Pass tags when going through tolls.

Agency Response

A number of E-Z Pass tags are being converted to a fixed mount style. These passes have been converted in Districts that incur the most toll usage due to disposal vendor locations. For pool pass usage, DSNY issues tags as needed for Agency business use and will strengthen messaging on affixing tags properly to windshields for all units that have not been converted to the fixed mount units.

Recommendation #12

DSNY should immediately contact the vehicles' manufacturers that have recalled DSNY vehicles and determine what steps should be taken to repair or if necessary to return the vehicle to manufacturer for repairs.

Agency Response

See Agency Response to Finding # 5.

Recommendation #13

DSNY should confirm that its vehicle dealers and manufacturers contacted NHTSA to inform that agency of repairs or recalls that have been cleared so the database can be updated.

Agency Response

DSNY has communicated with manufacturers and with the vehicle dealers requesting that the NHTSA database is updated to correctly reflect the current recall status of all DSNY vehicles. Taking the Office of the Comptroller's recommendations into consideration, DSNY contacted the NHTSA Deputy Regional Administrator. Due to the fact that the process for recall and remedy notification is regulated by law and NHTSA internal policies, DSNY may not report on recalls to NHTSA directly. DSNY will work with the manufacturers and NHTSA to increase the efficiency in the flow of information about recalls and remedies.

Recommendation #14

DSNY should retire vehicles that pose a safety hazard to its employees.

Agency Response

DSNY routinely condemns vehicles that have exceeded fleet lifecycle standards and those that are damaged to an extent that the safety of an operator is compromised.

**THE CITY OF NEW YORK
DEPARTMENT OF SANITATION**

**ADDENDUM
Page 10 of 16**

OPERATIONS ORDER NO. 99-05
EFFECTIVE DATE: OCTOBER 21, 1999
SUBJECT: EZ PASS PROGRAM FOR B.C.C.
AFFECTED DIRECTIVES: NONE
REFERENCE: NONE

GENERAL:

The purpose of this order is to establish rules and guidelines governing the receipt, distribution, use and safeguarding of EZ Pass Tags. There are 2 different categories: Revenue and Non-Revenue. Both categories can be used at any authorized toll location.

RESTRICTIONS:

The use of EZ Pass Tags is for official department business only. They are not to be used for commuting to and from work.

- A) Non-Revenue Tags are orange and are only to be used with the following series trucks:
- 23 Series - Roll on - Roll off
 - 24 Series - Front Loading Collection (E-Z Pack)
 - 25 Series - Compacting Collection
 - 26 Series - Open Body Dump
 - 30 Series - Hoisted-Fitted-Chassis (H.F.C.)
 - 38 Series - Spreader
- B) The revenue category has 2 types: a blue tag for all trucks not covered in the **Non-Revenue** category, and a white tag for all passenger type vehicles.

PROCEDURES:

DIRECTORS AND STAFF MEMBERS:

Any employee that is assigned an EZ Pass will be responsible for:

- The safeguarding of the tag at all times.
- Maintaining a log sheet (D.S. 64) which they will sign and submit to the Bureau liaison monthly.

THE BOROUGH SUPERINTENDENT, DIVISION HEAD, OR THEIR DESIGNEE WILL BE RESPONSIBLE FOR:

- Confiscating tag(s) in cases of unauthorized use or when notified by the bureau liaison, until an audit by F.I.A.T. can be conducted, and a final determination rendered.
- The adequate supply of EZ Pass Tags for their respective locations. Any changes to the original allocation must be requested in writing and submitted to the Bureau liaison.
- The distribution and proper use of EZ Pass Tags by their personnel.
- The safeguarding of EZ Pass Tags when not in use.
- Maintaining a logbook to record individual EZ Pass Tags distributed within their commands. The logbook will consist of both the D.S. 64A and D.S. 64B.
- Verifying, by signature, the monthly EZ Pass transactions. The signed monthly report must be returned to the Bureau liaison within (10) ten days of receipt.

THE DISTRICT SUPERINTENDENT OR FIELD UNIT OFFICER IN CHARGE WILL BE RESPONSIBLE FOR:

- The adequate supply of EZ Pass Tags for their respective locations.
- The distribution and proper use of EZ Pass Tags by their personnel.
- The safeguarding of EZ Pass Tags when not in use. All tags must be stored in a locked safe or security cabinet when not signed out and in use.
- Maintaining a logbook to record individual EZ Pass Tags distributed within their commands. The logbook will consist of both the D.S. 64A and D.S. 64B.
- Verifying, by signature, the monthly EZ Pass transactions.

GARAGE SUPERVISOR OR FIELD UNIT OFFICER IN CHARGE WILL BE RESPONSIBLE FOR:

- The distribution and return of EZ Pass tags.
- The safeguarding of EZ Pass tags when not in use.
- Recording EZ Pass numbers on the back of each D.S. 350 as well as in the Carting Book (D.S. 744).
- Documentation of all required information in log book.

IN THE EVENT OF A LOST OR STOLEN EZ PASS:

- MUST BE REPORTED IMMEDIATELY THROUGH CHANNELS TO THE BUREAU OPERATIONS OFFICE (B.O.O.).
- AN INCIDENT REPORT (D.S. 779) MUST BE FORWARDED THROUGH CHANNELS TO B.O.O..
- B.O.O. WILL THEN NOTIFY THE MTA BRIDGE AND TUNNEL CUSTOMER SERVICE CENTER FOR IMMEDIATE DEACTIVATION.
- A STOLEN EZ PASS MUST BE REPORTED TO POLICE AND A COMPLAINT NUMBER MUST BE OBTAINED. THIS INFORMATION WILL BE INCLUDED ON THE INCIDENT REPORT (D.S. 779).
- IF A LOST OR STOLEN EZ PASS TAG IS RECOVERED AFTER DEACTIVATION, THE OFFICER WILL FORWARD THE TAG THROUGH CHANNELS TO B.O.O..
- FAILURE OF ANY EMPLOYEE TO SECURE THE EZ PASS TAG WHILE IN THEIR POSSESSION, WILL RESULT IN DISCIPLINARY ACTION AND PAYMENT OF THE EZ PASS TAG AT COST.

ALL LOCATIONS ARE TO ENSURE THAT ALL EZ PASS LOGBOOKS ARE KEPT IN AN ACCESSIBLE LOCATION WHEN TAGS ARE IN USE. WHEN NOT IN USE THE LOGS MUST BE KEPT IN A SECURED LOCATION. EZ PASS TAGS MUST ALWAYS BE KEPT IN A SECURE LOCATION. LOGBOOKS WILL BE SUBJECT TO AUDIT.

Any violation of this order will result in disciplinary action which may result in suspension and/or termination.

CANCELLATION: UNTIL RESCINDED

ISSUING AUTHORITY:

A handwritten signature in black ink, appearing to read "Michael T. Carpinello", written in a cursive style.

MICHAEL T. CARPINELLO
FIRST DEPUTY COMMISSIONER

DISTRIBUTION: ALL MANAGERS AND SUPERVISORS

GENERAL ORDER 86- 15

THE CITY OF NEW YORK
DEPARTMENT OF SANITATION

GENERAL ORDER 86- 15

EFFECTIVE DATE: June 16, 1986
SUBJECT: PROCEDURE FOR THE AUDITING AND RECORDING OF DEPARTMENT PASSENGER VEHICLE ACTIVITIES
AFFECTED DIRECTIVES: P.A.P. 86-02 DATED MAY 1, 1986
Deputy Commissioner for Operations memo dated May 1, 1986. Compliance with provisions of P.A.P. 86-02

All Bureau or Division heads will designate one person in their respective Bureaus or Divisions as the Bureau or Division Car Coordinator, who will be responsible for compliance with the contents of this order and all other affected directives within their respective Bureau or Division.

In accordance with the provisions of P.A.P. 86-02, dated May 1, 1986, the Agency Car Coordinator has established the following forms to be used by all Department employees engaged in the operation of passenger vehicles for the proper recording of passenger vehicle activities.

- 1. D.S. 9 Rev. 6/86 - Passenger Vehicle Log
- 2. D.S. 10 Rev. 4/73 - Mileage Summary
- 3. D.S. 10A 6/86 - Monthly Passenger Vehicle Report

A. PASSENGER VEHICLE LOG - D.S. 9 Rev. 6/86

The D.S. 9 will be a 24 hour log of all passenger vehicles to be maintained at the Department location at which the vehicles are housed. The location supervisor or his designee will red line, initial and date the D.S. 9 daily at the end of each days last workshift. The D.S. 9 log will be kept in a place available for auditing at all times. When permission is granted to house vehicles in locations where D.S. personnel are not assigned the D.S. 9 will not be maintained.

*D.S. 9
24 Hour log
Supp. initial
to end of
ea. shift*

The employee authorized to operate the vehicle will fill out the D.S. 9 when leaving and returning to the housing location as follows:

When leaving location:

- 1. Enter Vehicle Code Number
- 2. Time Out (leaving location)
- 3. Operator's Name (Print)
- 4. Operator's Title

Upon returning to location:

- 5. Time In
- 6. Operator's Signature
- 7. Remarks (If any)

See Attachment 'A'

When a passenger vehicle is returned to a location other than the official housing location, the employee authorized to operate the vehicle will contact the official housing location and notify the location supervisor or his designee of the temporary housing location. The locations supervisor or his designee shall record the time of the notification in the time in column, and shall enter the means of notification and the temporary housing location in the remarks column, e.g. "telephone MW-1." The location supervisor shall initial all such entries.

*You will
initial you
Housing loc.
of any temp
housing*

GENERAL ORDER 86-15

B. MILEAGE SUMMARY - D.S. 10 Rev. 4/73

1. All personnel operating passenger vehicles must make an entry on form D.S. 10 for the date they operate the vehicle.
2. The D.S. 10 will remain in the passenger vehicle and for those vehicles assigned to the Bureau of Cleaning and Collection, Bureau of Waste Disposal and Operations Planning, Evaluation and Control, will be turned in to the officer or authorized employee at the housing location at the end of each month. The D.S. 10 will be the basis for the preparation of the Bureau or Division monthly passenger vehicle report.
3. D.S. 10's for passenger vehicles housed in locations not belonging to the parent bureau or division will be forwarded to the Bureau or Division Car Coordinator.

See Attachment 'B'

C. MONTHLY PASSENGER VEHICLE REPORT (D.S. 10A 6/86)

1. It will be the responsibility of the designated Bureau or Division Car Coordinator to prepare all of the information required on form D.S. 10A.
2. The original D.S. 10A 6/86 will be forwarded to the Chief of Equipment and Facilities Management in the Operations Office of the Bureau of Cleaning and Collection and a copy will be maintained at every Bureau or Division headquarters.

See Attachment 'C'

D. AUDITING

The Department Car Coordinator has given the responsibility for the auditing of all passenger vehicle activities and the proper preparation of all control forms established by this order to the Chief of the Field Inspection Audit Team (FIAT).

E. COMPLIANCE

All employees must comply with this order. Failure to comply with the provisions of this order may result in disciplinary action.

CANCELLATION:

THIS ORDER SHALL REMAIN IN EFFECT
INDEFINITELY

ISSUING AUTHORITY:


BRENDAN SEXTON
COMMISSIONER

DISTRIBUTION:

BUREAU HEADS
UNIT MANAGERS
SUPERVISORS

DS 9 - Daily Log Compl. by location super. at end of each shift
DS 10 - Mileage Summary - Compl. by oper. ea. day he uses car & turned in at end of month
DS 10A - Monthly Passenger Veh. Report.