



New York City Comptroller
John C. Liu

NEWS RELEASE

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LIU: CITY LETS BIG COMPANIES OFF THE HOOK FOR MILLIONS IN UNPAID PARKING TICKETS

*Audit Finds Dept. of Finance Fails To Collect Even After Giving Discounts
to Commercial Fleets; FedEx, Verizon Top List of Fines Overdue*

NEW YORK, NY – City Comptroller John C. Liu today announced that an audit of the City Department of Finance’s (DOF) collection of parking tickets discovered that the agency has failed to go after millions of dollars in fines owed by companies with delivery fleets. The DOF gives these same companies discounts on their tickets.

“It’s bad enough that people feel like they’re constantly blitzed with parking tickets,” Comptroller Liu said. “It’s absolutely galling to now find that the City lets big companies off the hook on millions in parking tickets. At the minimum, the City should be as efficient collecting money from big companies as it is from residents and small business owners, who apparently never get a break.”

The DOF manages two programs that offer commercial fleets discounts on parking tickets. The NYC Delivery Solutions (Stipulated Fine) program covers companies that make quick deliveries or service calls, such as private mail couriers. The DOF’s Commercial Abatement Program enrolls commercial fleets that are *not* engaged in time-sensitive services, such as plumbing repair companies.

To enroll in the discount programs, companies first must pay all their outstanding tickets, waive their right to challenge future tickets, and agree to pay fines within 15 days. The DOF can remove any company that fails to abide by the agreement from the program and levy fines on them without the discount.

Comptroller Liu’s audit found many companies that did not live up to the agreement and ignored large outstanding debts on their parking tickets without any penalty from the DOF.

Private citizens, whose vehicles can be towed or booted if they fail to contest or pay \$350 in tickets within 100 days, were once able to obtain discounts on parking tickets. The DOF canceled this discount program for private citizens as of January 2012.

\$6,421,588 Overdue but No Enforcement

As of April 2012, the DOF was holding \$9.3 million in tickets, of which two-thirds had gone unpaid for more than 30 days. In fact, of \$6.4 million in overdue uncollected fines, more than half — \$3.7 million — had gone unpaid for more than six months.

Companies that ignore their tickets and continue business as usual feel no repercussion, because DOF does not use its powers to strike them from the discount programs and pursue collections.

If the DOF removed delinquent companies from the discount programs, it could pursue civil judgments, deny vehicle registrations, and tow vehicles with unpaid parking tickets. Moreover, if the DOF took companies out of the program, it could charge them the full ticket amounts — resulting in more revenue for the City. For example, auditors randomly selected 20 companies (10 from each program) from the population of 110 participants that each owed more than \$10,000 in fines. These 20 participants had a total of \$923,284 outstanding discounted fines. If removed from the program the firms would have to pay their original fines — \$3,979,581 — resulting in \$3 million more in revenue to the City.

Program	Original Fines	Discount Rate	Reduced Fine
Stipulated Fine Program *	\$2,781,550	80.00%	\$566,428
Commercial Abatement Program *	\$1,198,031	70.00%	\$356,856
<i>Total</i>	<i>\$3,979,581</i>		<i>\$923,284</i>

* 10 Randomly Selected Participants

The audit also found that the DOF did not collect all outstanding fines before enrolling companies in the discount program, as required. The audit examined a sample of 20 companies in the programs and found that the DOF failed to collect outstanding fines, totaling \$195,886, from seven before admitting them to the discount program.

Top Debtors as of April 2012

Stipulated Fine Program	Amount Outstanding More Than 30 Days
FEDERAL EXPRESS	\$957,315
VERIZON	480,030
FRITO-LAY(QUEENS) (COM) PLTS	213,557
ANHEUSER-BUSCH DIST. OF NY INC	168,963
VERIZON CORP.SERVICES (STIP)	157,758
<i>Total</i>	<i>\$1,977,623</i>

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