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CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
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BUREAU OF AUDIT

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January 7, 2013

The Honorable Rose Gill Hearn  
Commissioner  
New York City Department of Investigation  
80 Maiden Lane  
New York, New York 10038

The Honorable Vincent N. Schiraldi  
Commissioner  
New York City Department of Probation  
33 Beaver Street, 23<sup>rd</sup> Floor  
New York, NY 10004

The Honorable Joseph F. Bruno  
Commissioner  
New York City Office of Emergency Management  
165 Cadman Plaza East  
Brooklyn, NY 11201

**Re: Letter Report on the Public Safety (“Non-Uniformed Services”) Agencies’ Monitoring of Their Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business (Audit Number 7R13-090AL)**

Dear Commissioners:

We are sending you this Letter Report regarding the audit of the Public Safety ‘Non-Uniformed Services’ Agencies monitoring of their employees using E-ZPass and/or parking permits while driving City-owned or personally-owned vehicles on City business. These agencies include the:

- Department of Investigation (DOI)
- Department of Probation (Probation)
- Office of Emergency Management (OEM)

The objective of this audit is to determine if the Public Safety ‘Non-Uniformed Services’ agencies are effectively monitoring their employees who use an E-ZPass and parking permits while driving City-owned or personally-owned vehicles on City business in accordance with applicable rules and regulations.

## **Conclusion**

We found that the three Public Safety ‘Non-Uniformed Services’ agencies monitor the use of E-ZPasses and permits by their authorized drivers in accordance with applicable rules and regulations. However, we found that a major administrative (recordkeeping) weakness in the completion of the driver vehicle trip logs has occurred at OEM and Probation. We found that 7240 transactions (86 percent) of the 8406 E-ZPass transactions processed by OEM and Probation were not recorded in the driver vehicle trip logs. City Vehicle Driver Handbook, issued February 2009, states, “[Driver’s] must keep a log of E-Z Pass use and submit it to the agency representative responsible for monitoring use. When an E-Z pass is used, the driver must fill out a trip ticket detailing what it was used for and why it was needed to be used so that accurate log books are maintained.” The E-Z Pass is used in conjunction with the approved use of a City vehicle.

We confirmed that these transactions, which affected Probation (which only had driver vehicle trip logs for the Staten Island office) and OEM (which did not have any driver vehicle trip logs), had been appropriately authorized and approved by management, although they were not recorded as required in the regulations. The 86 percent error rate is high, although it is an administrative (recordkeeping) error. The agencies had other records to indicate that they effectively monitored E-ZPass usage. We are bringing this matter to the attention of all the Public Safety “Non-Uniformed Services” agencies so that they can ensure all transactions are recorded in the driver vehicle trip log and are properly authorized. Inadequate recordkeeping could lead to E-ZPasses being used fraudulently. We brought this to the attention of both the Department of Probation and the Office of Emergency Management during the course of the audit. Both agencies have implemented the use of the driver vehicle logs as required. This issue did not relate to DOI because it had recorded all of its transactions in the driver vehicle trips logs as required.

This opinion and report does not include our review of your agencies’ controls regarding your drivers’ driving behavior, which was addressed in a prior report (Letter Report on the Public Safety Agencies’ Monitoring of Their Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business, Audit # 7R12-091A issued June 25, 2012). The other Public Safety Agencies (Uniformed Services) will be covered in a separate audit.

## **Background**

As you are aware, New York City requires that only those employees who exercise reasonable care in operating City- or personally-owned vehicles be allowed to use them to conduct City business. This requirement is outlined in the City of New York’s “City Vehicle Driver Handbook” (Regulations). All agency heads through the Agency Transportation Coordinator (ATC) must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use are authorized to drive. It is also the ATC’s responsibility to ensure that these drivers have valid licenses and insurance (if they are driving their personal vehicles). The driver’s license should be a New York State License unless the employee is exempt from City residency requirements. If this is the case, then the authorized driver must have a valid license from the state where he/she resides and must have the appropriate classification for the vehicle which he/she is driving on City business. The Regulations further specify 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, thus allowing said Agency personnel to perform their responsibility in an effective manner. E-ZPasses are issued by the Metropolitan Transportation Authority/Bridges and Tunnels (MTA). All E-ZPass usage must be reported to the 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. Subsequently, the driver must fill out a vehicle trip log detailing what the vehicle was used for and why it needed to be used so that accurate agency vehicle trip log books can be maintained. 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 vehicle and only as described by the parking permit and any other accompanying instructions.

### **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, 2011, through December 31, 2011. Our audit reviewed all E-ZPass usage and parking permits issued in our scope period for the three City agencies categorized as "Public Safety" in the Fiscal Year 2011 Mayor's Management Report.

To meet our objectives, we obtained and reviewed the City of New York "City Vehicle Driver Handbook" issued February 2009 and the subsequent addendum. To determine whether the Public Safety 'Non-Uniformed Services' agencies monitor their drivers' E-ZPass usage and issued parking permits in accordance with the City's Regulations, we obtained and reviewed the following: 1) list of all E-ZPasses issued to each agency and the associated license plate; 2) copy of the agency's E-ZPass bills for the calendar year; (3) copy of all vehicle usage trip logs during our scope; (4) list of all parking permits and the vehicles they were assigned to; and (5) list of all employees for each 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 each agency, we matched the MTA E-ZPass billing statements to the vehicle trip log for each agency.

To determine whether Public Safety 'Non-Uniformed Services' agencies effectively monitored their E-ZPass usage, we determined whether the E-ZPass was used during normal agency business hours. We reviewed the E-ZPass bills and compared the dates to the 2011 calendar to determine if an E-ZPass was used on a weekend or holiday. If an E-ZPass was used, we determined whether proper authorization was given for its use. In addition, we checked the New York City Payroll Management System to determine whether the assigned driver was not on leave and in addition, still an employee of the agency during the period of E-ZPass usage. In addition, we checked to ensure that each E-ZPass was active during the scope period.

To determine whether Public Safety 'Non-Uniformed Services' agencies effectively monitored their parking permits, we reviewed all parking permits to determine if each parking permit issued by the agency to the employer was attached to a City vehicle. If the parking permit was attached to a personally-owned vehicle, we reviewed the agencies' authorization to the employee with that parking permit.

Based on our conclusion and the implementation of the recommendation during the course of the audit, we do not see the need for a formal exit conference. On December 3, 2012, we submitted a draft letter providing you with an opportunity to formally respond. The Public Safety 'Non-Uniformed' Services agencies' responses were received by December 26, 2012. In their written responses all Public Safety 'Non-Uniformed Services agencies agreed with the report.

The full texts for the Public Safety 'Non-Uniformed' Services agencies' comments are included as addenda to this report.

Sincerely yours,



Tina Kim

- c: Alberta Ancrum, Assistant Commissioner, Department of Investigation
- Charles Harris, Director of Audits, Department of Probation
- Stacy Rosenfeld, Assistant Commissioner, Office of Emergency Management
- Elizabeth Weinstein, Director, Mayor's Office of Operations
- George Davis III, Deputy Director, Mayor's Office of Operations
- Vincent Liquori, Director, Financial Audit



The City of New York  
Department of Investigation

ROSE GILL HEARN  
COMMISSIONER

80 MAIDEN LANE  
NEW YORK, NY 10038  
212-825-5900

December 13, 2012

Office of the Comptroller  
City of New York  
1 Centre Street  
New York, NY 10001  
Attn: Ernestine M. Rivers-Merritt, Audit Manager

Re: Comptroller Audit on the Public Safety Agencies' Monitoring of Their Employees Who Use an EZ Pass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business (Audit Number 7R13-090AL)

Dear Ms. Rivers-Merritt:

The New York City Department of Investigation ("DOI") received the above reference audit report #7R13-090AL from your agency dated December 3, 2012. We are pleased with the finding by the Comptroller's Office that DOI meets the standards set forth in the City of New York's City Vehicle Driver Handbook. We appreciate that the Comptroller Office has taken the time to confirm DOI's management of our fleet operation is in accordance with applicable rules and regulations.

It was a pleasure working with your agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Alberta E. Ancrum", written over a horizontal line.

Alberta E. Ancrum  
Assistant Commissioner



Vincent N. Schiraldi  
Commissioner

33 Beaver Street  
23<sup>rd</sup> Floor  
New York, NY 10004

212-361-8976 tel  
212-361-8985 fax

December 14, 2012

Ms. Tina Kim, Deputy Comptroller  
The City of New York  
Office of the Comptroller  
1 Centre Street, Room 1100  
New York, N.Y. 10007-2341

**Re: Draft Letter Audit Report on the Public Safety ("Non-Uniformed Services") Agencies' Monitoring of Their Employees using E-Z Pass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business (Audit # 7R13-090AL)**

Dear Ms. Kim:

This letter constitutes the formal response of the NYC Department of Probation to the above-mentioned draft report.

I am pleased with the audit and your assertion that transactions affecting the NYC Department of Probation (DOP) were appropriately authorized and approved. In regard to DOP's monitoring of employees' E-Z Pass usage, beginning in March 2012 our Fleet Administration Unit instituted improved monitoring of all authorized employees' E-Z Pass usage to ensure compliance with the City of New York's "City Vehicle Driver Handbook." Therefore, we currently require all employees who utilize an agency E-Z Pass in a City-owned vehicle to maintain and submit monthly usage logs to the Fleet Administrator.

If you require additional information or have questions, DOP's contact is Charles Harris, Director of Audits, who can be reached at (212) 232-0712.

Sincerely,

A handwritten signature in black ink, appearing to read "Vincent N. Schiraldi".

Vincent N. Schiraldi



**NEW YORK CITY OFFICE OF EMERGENCY MANAGEMENT**  
165 CADMAN PLAZA EAST BROOKLYN NEW YORK 11211

718-422-4616 FAX 718-422-8453

JOSEPH F. BRUNO  
COMMISSIONER

December 26, 2012

H. Tina Kim  
Deputy Comptroller  
City of New York Office of the Comptroller  
Bureau of Audit  
Municipal Building  
One Centre Street, Room 1100  
New York, New York 10007-2341

Re: Draft Letter Audit Report on the Public Safety ("Non-Uniformed Services")  
Agencies' Monitoring of Their Employees Who Use an E-ZPass and Parking  
Permits While Driving City-Owned or Personally Owned  
Vehicles on City Business (Audit Number 7R13-090AL)

Dear Deputy Comptroller Kim:

This letter constitutes the response of the New York City Office of Emergency Management ("OEM") to the December 3, 2012 Draft Letter Report of the City of New York Office of the Comptroller audit of New York City Office of Emergency Management's Monitoring of their employees who use an E-ZPass and parking permit while driving City-owned or personally owned vehicles on City Business (Audit Number 7R13-090AL).

By way of background, the objective of the audit was to determine if the Public Safety "Non-Uniformed Services" agencies are effectively monitoring their employees who use an E-ZPass and parking permit while driving City-owned or personally owned vehicles on City business in accordance with applicable rules and regulations. The scope period of the audit was from January 1, 2011 through December 31, 2011.

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December 26, 2012

Your draft letter audit dated December 3, 2012, notes that OEM monitors the use of E-ZPass and permit usage by their authorized drivers in accordance with applicable rules and regulations. Your office further noted that the E-Z Pass use in conjunction with the approved use of a City vehicle had been appropriately authorized and approved by management.

We note your finding of an administrative (recordkeeping) weakness in the completion of the driver vehicle trip logs. **To further strengthen existing controls, OEM has begun to develop a corrective action to strengthen its recordkeeping practices.**

We appreciate the time and effort spent by your staff on the audit. OEM will ensure the effective monitoring of its drivers.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Bruno', with a long horizontal stroke extending to the right.

JOSEPH F. BRUNO

JFB/sg

Elizabeth Weinstein, Director, Mayor's Office of Operations

George Davis III, Deputy Director, Mayor's Office of Operations

Vincent Liquori, Director, Financial Audit

Stacy Rosenfeld, Assistant Commissioner, Office of Emergency Management