



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
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AUDIT

BUREAU OF AUDIT

June 30, 2014

By Electronic Mail

Commissioner Donna M. Corrado  
Department for the Aging  
2 Lafayette Street, 11<sup>th</sup> Floor  
New York, New York 10007

Re: **Final Letter Audit Report on the Department for the Aging's Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business**  
**(Audit Number 7R14-060AL)**

Dear Commissioner Corrado:

This Letter Report concerns the New York City Comptroller's audit of the Department for the Aging's ("DFTA's") monitoring by of its employees use of City issued E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business. The objective of this audit was to determine if DFTA is effectively monitoring its employees who use E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business in accordance with applicable rules and regulations. The audit found that DFTA effectively monitors the use of the E-ZPasses and permits by its authorized drivers.<sup>1</sup>

### Background

New York City requires that only those employees who exercise reasonable care in operating City-owned 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" (the "Handbook"). Agency heads, through their agency's Agency Transportation Coordinator ("ATC"), must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use have been authorized to drive. It is also the ATC's responsibility to ensure that these drivers have valid licenses. The drivers' licenses must be issued by New York State unless an 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 which 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.

The Handbook requires that E-ZPasses be issued only to authorized drivers who are responsible drivers. All E-ZPass usage must be reported to and monitored by 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 or an authorized personal vehicle.

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<sup>1</sup> This opinion does not include our review of your agencies' controls regarding your drivers' driving behavior, which is addressed in a separate report.

After using an E-ZPass on City business, a 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. E-ZPasses are issued by the Metropolitan Transportation Authority/Bridges and Tunnels ("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 vehicle or an authorized personal vehicle and only as described by the parking permit and any other accompanying instructions.

### **Conclusion**

We found that DFTA monitored the use of E-ZPasses and parking permits by its authorized drivers in accordance with applicable rules and regulations.

### **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, 2012 through December 31, 2012 and October 2013 through March 2014. Our audit reviewed E-ZPass usage and parking permits issued in our scope period.

To meet our objectives, we obtained and reviewed the City's Handbook issued February 2009 and its subsequent update. To determine whether DFTA monitored its drivers' E-ZPass usage and issued parking permits in accordance with the City's 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 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.

To determine whether DFTA effectively monitored its 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 2012 through March 2014 calendars to determine if an E-ZPass was used on a weekend or holiday. We reported all such activity to DFTA and inquired why an E-Z Pass was necessary for weekend or holiday use. 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 determine whether the employee was reimbursed for mileage and tolls or just mileage in accordance to 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 verified that DFTA's drivers did not use their E-ZPass while not performing official City business.

To determine whether DFTA effectively monitored its parking permits, we reviewed all 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. If the parking permit was attached to a personally owned vehicle, we reviewed the agencies' authorization for the employee with that parking permit. We ensured that each employee assigned a parking permit, whether for a City vehicle or a personally-owned vehicle, 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 DFTA had given us a complete list. Further, we ensured that DFTA had accounted for the appropriate number of parking permits. We also ensured that no employees had a permit issued to more than one personally-owned vehicle.

Based on our positive conclusion we recommend that you continue your current processes in accordance with the applicable regulations. On June 24, 2014, we submitted a draft letter report providing you with an opportunity to formally respond. DFTA's response was received by June 25, 2014. In their written responses DFTA agreed with the report.

The full text of DFTA's comments is included as an addendum to this report.

Sincerely,

  
Marjorie Landa

cc: Joy C. Wang, Assistant Commissioner, DFTA  
John H. Jones, Controller, DFTA  
Mindy Tarlow, Director, Mayor's Office of Operations  
George Davis III, Deputy Director, Mayor's Office of Operations



Department for  
the Aging

Donna M. Corrado Ph.D.  
Commissioner

June 25, 2014

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Marjorie Landa, Deputy Comptroller for Audit  
Office of the Comptroller  
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New York, NY, 10007-2341

Re: Draft Letter Audit on the Department for the Aging's Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City—Owned or Personally-Owned Vehicles on City Business (Audit Number 7R14- 060AL)

Dear Deputy Comptroller Landa:

Thank you for the opportunity to respond to your June 24, 2014 draft letter audit report on the Department for the Aging's Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City —Owned or Personally-Owned Vehicles on City Business (Audit Number 7R14-060AL).

We agree with the audits finding that DFTA effectively monitored the use of the E-ZPasses and Permits by our authorized drivers.

In closing we appreciate the opportunity to respond to the draft audit letter and the professional manner in which the audit was conducted. If you have any questions about this written response, please contact John Jones at (212) 6024495 or by e-mail at [jjones@aging.nyc.gov](mailto:jjones@aging.nyc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John Jones".

John Jones CPA, Controller, .

cc: Donna M. Corrado, Ph.D, Commissioner  
Joy C. Wang Associate Commissioner, DFTA  
Steven Foo, General Counsel, DFTA  
George Davis III, Deputy Director Mayors Office of Operations  
Mindy Tarlow, Director Mayors Office of Operations  
Ernestine M. Rivers- Merritt, Auditor Manager