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AUDIT

BUREAU OF AUDIT

December 8, 2016

By Electronic Mail

Commissioner Meera Joshi
Taxi and Limousine Commission
33 Beaver Street, 22nd Floor
New York, NY 10004

**Re: Letter Audit Report on the New York City Taxi and Limousine Commission's
Monitoring of Drivers Who Are Licensed by the Taxi and Limousine Commission
(Audit Number SZ15-064AL)**

Dear Commissioner Joshi:

This Letter Audit Report concerns the audit of the New York City Taxi and Limousine's (TLC's) monitoring of drivers who are currently licensed to drive medallion taxicabs and for-hire vehicle drivers. The objective of this audit was to determine whether TLC is effectively monitoring drivers who are currently licensed by TLC. The audit found that TLC effectively monitors the driving behavior of those licensed drivers. A detailed discussion of this audit is set forth below.

Background

TLC, created in 1971, is the agency responsible for licensing and regulating New York City's medallion (yellow and green) taxicabs, for-hire vehicles (community-based liveries, luxury limousines, and black cars), commuter vans, and paratransit vehicles (ambulettes). TLC licenses and regulates over 50,000 vehicles and approximately 100,000 drivers, and performs safety and emissions inspections of the 13,587 medallion taxicabs three times each year, as well as biennial inspections of all TLC-licensed for-hire vehicles.

TLC is required to establish and enforce its own policies and procedures for monitoring drivers and their driving behavior, which must be consistent with all applicable City, State, and Federal regulations. Accordingly, TLC has two programs that monitor vehicle operators: the Critical Driver Program, and the Persistent Violator Program. Under both programs, TLC may suspend or revoke the TLC license of drivers who commit an excessive number of violations.

The Critical Driver Program, which is governed by Sections 2-07 and 6-17 of Title 35 of the City Rules and Regulations, allows the TLC to suspend a driver's TLC license for up to 30 days after

a driver accumulates more than six Department of Motor Vehicle (DMV) points in a 15-month period. Additionally, a driver's TLC license will be revoked after a driver accumulates more than 10 points in a 15-month period. The Critical Driver Program addresses driving behaviors and patterns that could lead to direct suspensions and revocations of, not only TLC licenses, but driving privileges in New York State. Licensees may attend and complete a Defensive Driving Course to reduce the number of critical driver points on their licenses.

The Persistent Violator Program establishes the rules and regulations for drivers to maintain their TLC licenses in good standing. This program establishes the penalties for drivers who repeatedly violate vehicle and traffic laws and TLC rules within a 15-month period. Violations may include failure to pick up fares, cleanliness of the vehicle, and discourteous behavior to the public.

TLC determines the DMV status of its drivers through its enrollment in the DMV's License Event Notification System (LENS) program. Through LENS, TLC is notified daily of any event that affects the driving licenses of those drivers licensed by TLC, such as an expired license, the accumulation of points, an accident, and charges against a driver for driving while impaired or driving under the influence. This notification system enables TLC to ensure that only drivers with valid NYS licenses are driving TLC-regulated vehicles.

In January 2014, the City launched the Vision Zero Action Plan (Vision Zero), a comprehensive initiative to reduce driver, bicyclist, and pedestrian injuries and fatalities in New York City. Vision Zero detailed steps to improve street safety, including lowering the speed limit from 30 miles per hour to 25 miles per hour and increasing the penalties for driving with a suspended license and leaving the scene of an accident. The Plan also proposed increasing the number of red light cameras and installing additional traffic devices to control speeding. Subsequently, the City enacted Local Laws 27, 28, 30 and 31, which collectively require TLC to enforce the rules outlined in the Plan.

The focus of this audit is on TLC's monitoring of TLC-licensed drivers of medallion taxicabs and for-hire vehicles.

Finding and Recommendation

We found that in general TLC effectively monitors the driving behavior of those drivers who currently possess a TLC license to drive a medallion taxicabs and for-hire vehicles. TLC subscribes to the DMV's LENS program and receives its updates and revokes in a timely manner the privileges of TLC-licensed drivers who have suspended or revoked DMV licenses as prescribed by TLC's regulations. In addition, TLC provided all of its TLC-licensed drivers with a required safety awareness program that includes a Defensive Driving Course.

In response to local laws enacted as a result of Vision Zero and in an effort to remove potentially dangerous drivers from driving medallion and for-hire vehicles, TLC developed a system that tracks accidents, crashes, and fatalities involving these drivers of TLC-regulated vehicles.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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 January 1, 2010, through September 27, 2016. Our audit reviewed 147,633 medallion (yellow and green taxi) and for-hire vehicle (livery, limousine and black car) drivers in our scope period.

To meet our objectives, we obtained and reviewed the rules and regulations for TLC's Persistent Violator Program and Critical Drivers Program. To determine whether TLC monitors its drivers in accordance with the Critical Drivers Program, we obtained and reviewed the following: 1) a list of all TLC medallion and for-hire drivers from LENS and TLC; 2) daily LENS updates for all medallion and for-hire drivers (information as of September 27, 2016); 3) documentation regarding disciplinary action (if necessary) for DMV notifications of changes in driver's license status; and 4) applicable local laws (27, 28, 30 and 31).

In addition, we completed DMV inquiries on September 30, 2016 of the driving status of questionable drivers. A questionable driver is a driver who has accumulated fewer than the number of points required for suspension or revocation but has other infractions noted on their license which could lead to a suspension or revocation.

To determine whether TLC offered driver's safety programs according to its regulations, we requested and reviewed documentation regarding its safety programs.

Based on our positive conclusion, we recommend that TLC continue its current processes in accordance with the applicable regulations.

The issues covered in this report were discussed with TLC officials during and at the conclusion of this audit. On November 15, 2016, we submitted a draft report providing TLC with the opportunity to formally respond. TLC's response was received on November 29, 2016. In its written response, TLC agreed with the report's finding and recommendation and stated that "[t]he Commission has reviewed the report and the Findings and Recommendations and thanks the Office of the Comptroller for its finding that TLC effectively monitors the driving behavior of those Drivers that the Commission licenses to perform For-Hire work in New York City."

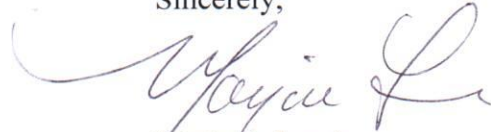
TLC further responded that "[t]he TLC will continue to use the DMV's License Event Notification System (LENS), the Critical Driver and Persistent Violator Programs to monitor

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December 8, 2016
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Driver habits so as to identify and address issues pertaining to poor driving behavior as quickly as possible.”

The full text of TLC’s comments is included as an addendum to this report.

Sincerely,



Marjorie Landa

c: Patrick Joyce, Analyst
Mindy Tarlow, Director, Mayor’s Office of Operations
George Davis III, Deputy Director, Mayor’s Office of Operations

ADDENDUM I



Meera Joshi
Commissioner

Gary Weiss
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November 29, 2016

Ms. Marjorie Landa
Deputy Comptroller for Audit
Office of the Comptroller, Bureau of Audit
Municipal Building
1 Centre Street, Room 1100
New York, NY 10007

Re: Draft Letter Audit Report – Audit Number SZ15-064AL

Deputy Comptroller Landa:

The New York City Taxi and Limousine Commission (TLC) is in receipt of your Draft Letter Audit Report, dated November 15, 2016, pertaining to the audit done on how the TLC monitors Drivers who are licensed by the Commission (Audit Number SZ15-064AL).

The Commission has reviewed the report and the Findings and Recommendations and thanks the Office of the Comptroller for its finding that the TLC effectively monitors the driving behavior of those Drivers that the Commission licenses to perform For-Hire work in New York City.

The TLC will continue to use the DMV's License Event Notification System (LENS), the Critical Driver and Persistent Violator Programs to monitor Driver habits so as to identify and address issues pertaining to poor driving behavior as quickly as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Weiss". The signature is fluid and cursive, written over the printed name and title.

Gary Weiss
Deputy Commissioner

Cc: Mindy Tarlow, Director, Mayor's Office of Operations
George Davis III, Deputy Director, Mayor's Office of Operations
Patrick Joyce, Analyst