



**Metropolitan Transportation Authority**

State of New York

November 4, 2016

Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

Honorable Thomas P. DiNapoli  
Office of the State Comptroller  
59 Maiden Lane, 31<sup>st</sup> Floor  
New York, NY 10038

RE: Response to Report #2015-S-33 – Practices Used by the Transit Adjudication Bureau to Collect and Account for Fines and Fees

Gentlemen:

On August 11, 2016, the Office of the State Comptroller issued the above referenced audit report. As required by Section 170 of the Executive Law, I am providing you with the attached response which addresses the recommendations contained in the report.

A copy of the final audit report is attached for your convenience.

Sincerely,

Thomas F. Prendergast  
Chairman and Chief Executive Officer

Attachment

c: Donna M. Evans, MTA Chief of Staff


**RECEIVED**  
EXECUTIVE CORRESPONDENCE

NOV 18 2016

OFFICE OF THE STATE COMPTROLLER  
THOMAS P. DINAPOLI  
COMPTROLLER

# Memorandum



**Date** October 26, 2016  
**To** Thomas F. Prendergast, Chairman and Chief Executive Officer, MTA  
**From** Veronique Hakim, President, NYC Transit   
**Re** **Transit Adjudication Bureau #2015-S-33: 90 Day Response**

The following is NYC Transit's 90-day response regarding the above reference audit report issued by the State Comptroller's Office. The stated purpose of the Audit was to review the practices used by the Transit Adjudication Bureau to collect and account for fines and fees audit.

*Comptroller Recommendation #1: Ensure that a sufficient number of staff resources are assigned to: making calls on the call campaign list; collecting collection rate data; and establishing priorities for campaign list calling based on call rate statistics.*

**NYCT TAB Response –**

- The new Transit Adjudication Bureau (TAB) staffing contract, awarded in April, 2016, has bolstered the staffing levels for collections activities, which include the activities noted above in Recommendation #1. TAB will work with the vendor to ensure that it maintains the necessary staffing levels. Moreover, TAB's Collections representatives and Inquiry representatives are being cross-trained so that each representative is familiar with the tasks of each unit and can be rotated in on a schedule. The representatives will gain a deeper knowledge in the complimentary areas and stay refreshed. In addition, multi-lingual staff in both units will be available to handle incoming collections-related calls for respondents who speak Spanish and other languages. This should reduce the need for using Language Line interpretation services, which often results in lengthier call times.
- TAB's new computer application, TABIS, was launched on May 2, 2016. TABIS currently generates certain on-demand reports that will be useful for measuring and managing collection activities. Anticipated Phase II TABIS enhancements will further improve TAB's ability to monitor and appraise the effectiveness of collection efforts and to establish empirically-based priorities for campaign list calling.
- TAB is examining various methods to maximize the number of calls made such as using robo-calling for the hearing calls and implementing a predictive dialer feature which will increase the number of calls sent to the

representative. TAB's staffing vendor recently hired an experienced Collections and Enforcement Unit Supervisor to work with representatives in improving call quality and collection rates. TAB is also currently vetting applications for a seasoned Collections and Enforcement consultant to work with the unit on short and long-term collections strategies.

*Comptroller's Recommendation #2: Establish performance metrics related to the number of calls expected to be made each week.*

NYCT TAB Response - TAB is continuing to monitor the performance metrics of the collection staff and will work with the new vendor to improve performance. As stated above, TAB's staffing vendor has recently hired an experienced Collections and Enforcement Unit Supervisor who will be tasked with supervising Collections representatives and guiding them in achieving performance metrics.

*Comptroller's Recommendation #3: Formally consider for inclusion in the new contract: specific performance metrics related to items such as the number of calls required during a period of time; incentives for performance that exceeds the expected level of performance; fines, penalties, and /or credit offsets for performance below the expected level of performance; and reports on the collection results from each type of activity to identify those activities with the highest returns.*

NYCT TAB Response - As previously indicated, the current contract, which was executed in April 2016, will allow accumulation of improved data reports on collections activities as part of an enhancement to the Phase II implementation of the TABIS system. It is anticipated that once implemented, these data reports will increase TAB's ability to identify the collection activities that provide the highest returns, and thus guide the potential inclusion of specific collection performance metrics or performance incentives provisions in subsequent TAB staffing contracts.

*Comptroller's Recommendation #4: Coordinate with representatives of NYPD and the Eagle Team, to improve the quality of the identifying information detailed in the summonses.*

NYCT TAB Response - The Phase II release of the TABIS system will have the ability to generate a "Quality of Summons" report. TAB intends to use this newly-generated report to provide feedback to law enforcement about the percentage of summonses with incomplete essential data. The development of the report is part of the 2nd Phase of TABIS. On August 24, 2016, TAB staff met with law enforcement representatives to review the specifications for the subject report. On September 9, 2016, TAB met with the IT developers to finalize the business requirements for the report. It is anticipated that the report will be in production by December 31, 2016. In addition, on August 10, 2016, TAB staff made a presentation to the newly hired class of Eagle Team inspectors on the importance of summons quality and respondent data capture.

*Comptroller's Recommendation #5: Ensure all NOVs that are not paid within nine months of issuance are referred to the collection agency in a timely manner.*

NYCT TAB Response - As previously explained, the auditors finding that TAB was non-compliant in referring cases to the Collection Agency timely is unsupported. TAB will continue its practice of referring cases in a timely fashion.

*Comptroller's Recommendation #6: Formally explore and assess other methods of collecting fines and fees, such as:*

- *Selling the accounts receivables*
- *Running an amnesty program*
- *Hiring seasonal employees to do research on addresses via the DMV database to improve collection*
- *Providing an incentive clause in the contract with the third-party vendor based on amount of fines and fees collected; and*
- *Working with DMV to expand its regulations that [pr]eventis respondents with outstanding fines and fees from registering their vehicles.*

NYCT TAB Response - TAB has commenced examining the legality and feasibility of these recommendations and will work towards implementing methods that are legal, feasible and would achieve the most cost-beneficial results. Certain of the recommendations present legal obstacles. For example, TAB's enabling legislature does not authorize running an amnesty program; commencement of such a program would likely require legislative authorization. Nor does the recommendation regarding modification of DMV's registration regulations so as to prevent respondents with outstanding fines and fees from registering vehicles fall within TAB's lawful power or capacity. Regarding contract incentives, as noted above, the existing contract with the third party vendor, which legally governs the parties' present relationship, does not contain an incentive clause relating to the amount or rate of fine collection. As stated in the response to Recommendation No. 3, it is anticipated that incentive provisions may be negotiated and included in future TAB staffing contracts, once TAB has acquired greater experience operating within the new TABIS system environment. With respect to enhanced use of DMV database resources, hiring seasonal workers to conduct research of addresses via the DMV database may raise issues concerning access to sensitive information and pose a risk of violation of privacy laws. However, TAB has already applied for and been granted a DMV search account for use by the Legal Director and other authorized individuals.

*Comptroller's Recommendation #7: Match summonses by name or other identifying information to identify persons with multiple summonses. Focus collection efforts on such violators.*

NYCT TAB Response - TAB acknowledges the value of identifying respondents who have multiple unpaid summonses and is evaluating the best way to include this aspect in its overall collection efforts.

*Comptroller's Recommendation #8: Improve monitoring to ensure payments are deposited to the correct bank account.*

NYCT TAB Response - TAB will continue its practice of reviewing and reconciling the bank statements daily.

*Comptroller's Recommendation #9: Contact the MTA Treasury Department in a timely and effective manner to reverse errors.*

NYCT TAB Response - TAB will continue to timely notify and follow-up with the Treasury Department in the event that there is an incorrect account deposit.

*Comptroller Recommendation #10: Ensure that the appropriate amount is credited to the correct NOV for the dummy accounts used when payment is received.*

NYCT TAB Response - On July 22, 2016, the auditors did sample the dummy accounts and made no finding of incorrect application of dummy account funds to an NOV. TAB will continue its practice of applying the funds from the dummy account # to the correct NOV #.

*Comptroller's Recommendation #11: Review the Crime Fund account on a regular basis to determine if amounts being held are reasonable, document the decision and ensure that excess monies are forwarded to MTA Treasury in a timely manner.*

NYCT TAB Response - Effective February 1, 2016, TAB instructed the MTA Treasury Department to daily transfer any money in excess of up to \$5,000 from the TAB Crime Fund account to the MTA Investment Account.