

Memorandum



Date: October 25, 2021

To: Janno Lieber, Acting MTA Chairman and CEO

From: Patrick Warren, MTA Chief Safety Officer and Acting NYCT COO

A handwritten signature in black ink, appearing to read "P. Warren", is written over the "From:" line.

Re: New York State Comptroller Report #2019-S-7 Fare Evasion – 180 Day Response

In accordance with the requirements of Executive Law Section 170, what follows is a summary of the actions taken by the MTA with respect to the recommendations contained in the Office of the New York State Comptroller's report on Fare Evasion (#2019-S-7) which was issued as a Final Report on April 15, 2021. The objectives of this audit were to determine whether NYC Transit and the MTA Bus Company reported accurate estimates of revenue losses from fare evasion to the MTA Board of Directors, and whether the MTA has taken action through the Fare Enforcement and Worker Safety Program to ensure all riders pay the appropriate fare on NYC buses and subways.

Recommendation 1: Instruct bus operators that they should follow MTA program guidance to minimize fare evasion, including (a) informing students that they must insert their MetroCard's, (b) informing SBS fare evaders that they are required to pay the fare at bus stop ticket purchase machines before boarding, (c) not waving passengers who have not paid the fare onto the bus, and (d) only opening the middle and rear doors if a passenger requests a stop.

Agency Response: MTA agrees with this recommendation and incorporates its tenets into its existing NYCT practices. Instructions are included in initial and refresher training for Bus Operators. It includes a script that Bus Operators should use with the goal of not escalating incidents between operators and customers as a primary focus. We have also updated Bus Operators bulletins related to "Key 5" Program for Recording of Fare Abuse" to include verbiage for the OMNY readers. The bulletin remains unchanged for Bus operators communicating fares to our customers.

Recommendation 2: Ensure that key areas of bus stops and buses contain fare evasion and payment signage that is clearly visible and well-maintained. Signage should include instructions for purchasing a ticket when machines are out of order and notification that fare evaders are subject to a fine.

Agency Response: MTA agrees with this recommendation. NYCT bus stops and Guide-A-riders currently have posted fare information. Customer signage in the entire system is constantly being evaluated for relevancy and modified to address appropriate messaging.

Recommendation 3: Ensure that appropriate languages for the neighborhoods are used for SBS bus stop signage.

Agency Response: MTA agrees with this recommendation. MTA has established procedures to routinely evaluate and modify customer signage to address appropriate messaging and ensure it is effective for our customers.

Recommendation 4: Enhance fare payment purchasing capabilities, including (a) ensuring all ticket machines accept cash and credit/debit cards, (b) ensuring that all SBS bus stops have ticket purchase machines if the buses are not equipped with a fare box or OMNY.

Agency Response: MTA understands the intent of this recommendation but cannot implement it as described. The MTA is in the throes of implementing OMNY. The new OMNY fare payment system will address the recommendations described in the audit report. It will be fully operational in 2023. The changes recommended to the older "MetroCard" fare payment system as described in the audit cannot be realized in the lifetime remaining for this system, therefore those changes are not being pursued.

(a) The MetroCard Fare Collector and Coin Fare Collector machines mimic fare payment on local buses, which also do not accept bills or credit/debit cards. Therefore, a customer on SBS has the same payment options as on any local bus. In the spirit of this recommendation to further improve fare payment purchasing, and as detailed in the response to recommendation #5, when OMNY is fully deployed in our system, customers will be able to use contactless, bank-issued payment cards, smart devices, and the OMNY system's own contactless physical card and virtual card.

(b) There are some SBS stops approaching the end of the route where we do not install fare machines because the very low boarding activity at those stops does not merit the cost (about \$80K in materials and labor) of installing such machines. At these locations, customers may board without paying. The OMNY program rollout on all bus routes is complete affording customers the ability to pay their fare by simply tapping a contactless, bank-issued payment card or a smart device. The OMNY system's own contactless card was released October 1, 2021 which provides expanded options for cash-paying customers at retail locations throughout the New York region.

Recommendation 5: Remind MTA personnel to swipe their ID passes and utilize turnstiles when entering the subway system, unless there is a valid reason to use emergency exits.

Agency Response: MTA agrees with this recommendation. On March 11, 2021, NYCT SVP of Safety and Security, sent a memo to all NYCT employees reminding them to swipe their passes at turnstiles or dip at the bus farebox.

Recommendation 6: Ensure that key areas of subway stations contain fare evasion signage that is clearly visible and well-maintained.

Agency Response: MTA agrees with the intent of this recommendation. Stations currently has fare information posted on the station booths. Customer signage is constantly being evaluated and modified to address appropriate messaging.

Recommendation 7: Instruct Eagle Team inspectors to tell fare evaders to pay the fare they evaded.

Agency Response: MTA understands the intent of this recommendation but cannot implement it as described. The EAGLE Team does not possess the legal authority to compel an individual to swipe their MetroCard. The EAGLE Team personnel do require individuals to swipe their MetroCard, if they are issued a warning. However, when a \$100 dollar summons is issued, that action is intended to fully and safely conclude the encounter. Prolonging this exchange has the undesirable potential of escalating the situation into a verbal or physical confrontation. Regarding surges, and passengers claiming malfunctioning MetroCard machines prevented payment and issuance of a fare receipt, NYCT policy dictates that such passengers pay upon their destination arrival. Of note, the MTA Office of the Inspector General previously reviewed and concurred with this NYCT policy.

Recommendation 8: Instruct Eagle Team inspectors to issue fare evaders warnings only for reasons specified in the Eagles Team SOP.

Agency Response: MTA understands the intent of this recommendation. While it is not possible to pre-identify and pre-record in the EAGLE Team SOP ("Manual") the complete catalogue of all circumstances to inform the inspectors' use of discretion, the Standard Operating Procedure (SOP) on this subject has been refreshed to amplify this matter.

Recommendation 9: Ensure that fare enforcement practices are consistent among different Eagle Teams.

Agency Response: MTA agrees with this recommendation. NYCT Security has refreshed the Standard Operating Procedure (SOP) pertaining to "Use of Discretion." This is designed to help make enforcement practices more uniform among the various EAGLE Teams. Moreover, instruction is provided to EAGLE Team personnel at training sessions and daily roll calls.

Recommendation 10: Create a uniform template that can be used to record the details of each Eagle Team inspector's fare evasion counts.

Agency Response: MTA agrees with this recommendation. The EAGLE Team has adopted a next-generation (improved) form that provides the opportunity to include more details regarding the encounter.

Recommendation 11: Re-evaluate mechanical design and positioning plans of subway entrances and exits and make changes as warranted.

Agency Response: MTA agrees with this recommendation. NYCT Operations Planning and Stations regularly review control lines and recommend reconfigurations. Further a working group has been established that is examining current fare array configuration and developing solutions to address shortcomings.

Recommendation 12: Evaluate the impact of operating subway station entrances without the presence of MTA personnel or HEET-only entrances. Perform and document a cost-benefit analysis to decide whether station booths and HEETs should be constructed at these entrances.

Agency Response: MTA agrees with this recommendation. The MTA established a working group to examine the current fare array configuration and develop solutions to improve shortcomings of the current fare arrays. This body of work developed by the Fare Array Working Group will be used to inform the 20-Year Capital Needs assessment to replace/upgrade fare arrays.

Recommendation 13: Disclose pertinent details of statistical sampling methodologies used to calculate and report fare evasion statistics.

Agency Response: MTA agrees with this recommendation. There have been recent changes to how fare evasion is calculated on both the subways and buses.

On the subways, the MTA worked with Prof. Chan at Columbia University to determine the best way to calculate fare evasion with our available data (i.e., data collected manually by employees). This effort led to the development of a stratified cluster sample. The sample contains observations of a particular fare array at a specific time. These intervals and locations are chosen so as to capture as broad a sample as possible – high and low ridership stations, all boroughs, different times of day, etc. The data from this sample is sorted into six strata based on ridership, and a fare evasion rate is calculated for each one. These are then recombined with appropriate weighting to produce the system-wide figure reported publicly. The fare evasion data will be made available to the MTA Board and the public.

For buses, the MTA switched to a methodology using APCs (automated passenger counters) to count boardings, which are then compared against fares collected to calculate fare evasion. This was first used in public reporting for the data in Q4 2020 and was described in the February 2021 NYCT Committee Book as follows: “The bus fare evasion report reflects a different data collection procedure. In place of the previous on-board staff surveys of a sample of bus runs, the new report is based on all data collected using Automatic Passenger Counters (APCs). APCs have been installed on 37% of non-SBS local buses which is sufficient to provide robust data for 84% of non-SBS local routes (SBS fare evasion remains based on Eagle Team surveys.) The APCs count total ridership and this is compared with paid ridership counts to estimate the level of fare evasion.”

Recommendation 14: Continuously assess and revise as necessary the methodologies used to calculate and report fare evasion statistics.

Agency Response: MTA agrees with this recommendation. A new methodology was developed and used to calculate and report fare evasion statistics, see response to recommendation #13. MTA will assess and revise as necessary the methodologies used to calculate and report fare evasion statistics moving forward.

Recommendation 15: Implement a methodology that includes MTA Bus fare evasion data with Transit bus rates to ensure the Board has complete fare evasion data.

Agency Response: MTA agrees with this recommendation. The bus fare evasion data that is presented to the Board includes both MTA Bus and NYCT fare evasion.

Recommendation 16: Implement sufficient control activities to ensure implementation/execution of Program initiatives, including (a) establishing and disclosing to the Board, metrics on evaluating the progress and effectiveness of the Task Force, and (b) evaluating and documenting Program effectiveness and taking action to correct problems.

Agency Response: MTA agrees with this recommendation. The MTA Safety & Security Office is consolidating data and developing a report for the MTA Fare Evasion Task Force. As the reporting is solidified and refined it will be presented to the MTA Board. As a control measure the MTA Fare Evasion Task Force meets monthly and will review the new report and evaluate the effectiveness of in-place mitigations and adjust as needed.

Recommendation 17: Remind NYPD and MTA PD Officers to instruct passengers to pay the fare.

Agency Response: MTA agrees with this recommendation. This will occur on an on-going basis via field supervision.

Recommendation 18: Ensure that information reported by the MTA Finance Committee and Transit and Bus Committee is accurate and discloses pertinent fare evasion sample details and take action where sampling deficiencies exist.

Agency Response: MTA agrees with this recommendation. Fare Evasion will be reported at the Finance Committee.

Recommendation 19: Establish a plan to genuinely monitor the implementation and evaluation of Task Force/Program initiatives to ensure fare evasion methodologies are valid and the Program is effective.

Agency Response: MTA agrees with this recommendation. See Recommendation #16.

Cc: Laura Wiles, MTA Chief of Staff
Michele Woods, Auditor General, MTA Audit Services
Steven Hansen, Deputy Chief, Security Management, MTA Security
Darren Jurgens, Assistant Auditor General, MTA Audit Services