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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 22, 2023

Janno Lieber
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
150 Greenwich Street
New York, NY 10007

Re: Fare Evasion
Report 2022-F-23

Dear Mr. Lieber:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of the Metropolitan Transportation Authority (MTA) to implement the recommendations contained in our initial audit report, *Fare Evasion* (Report [2019-S-7](#)).

Background, Scope, and Objective

The MTA is North America's largest transportation network, serving a population of 15.3 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. The MTA has two agencies that provide bus and subway service within New York City: New York City Transit (Transit) and MTA Bus Company (MTA Bus). Transit is responsible for operating the subways and the majority of public bus service throughout New York City, and the Staten Island Railway. MTA Bus provides service throughout the Bronx, Queens, and Brooklyn and express bus routes from those boroughs to Manhattan.

The MTA has the authority to collect fares from the riding public, pursuant to the New York Codes, Rules and Regulations. Fare evaders are subject to issuance of a summons. The Transit Adjudication Bureau is an administrative tribunal established by State legislation in July 1985 to provide a forum for processing and adjudicating summonses for violations of Transit Rules of Conduct governing the public in the use of the transit system. Riders who enter the subway system or ride buses without paying the fare are subject to a \$50 or \$100 fine. However, MTA officials stated that it is not the MTA's goal to give summonses to fare evaders; rather, it is the MTA's goal to get its riders to pay the appropriate fare.

Passengers on Regular Bus Service (RBS) pay their fare on the bus. Select Bus Service (SBS) passengers pay their fare before boarding at ticket purchase machines located at SBS bus stops, except for one route in Staten Island where the fare is paid in the conventional manner. Transit's Division of Operations Planning (OP) is responsible for generating random samples of Transit RBS bus trips and subway stations for traffic checkers (checkers) to observe and record whether passengers pay their fare. Transit's Evasion and Graffiti Lawlessness Eradication (EAGLE) Teams observe SBS buses and perform surges. A group of six MTA

Special Inspectors collect data on paid passengers and unpaid passengers. This is done by requesting passengers on SBS to present their payment ticket upon request and counting the number of tickets presented and not presented. For RBS, the data is collected with an Automatic Passenger Counter (APC) and is then entered into a computer. The results are used to determine fare evasion rates and revenue loss estimates, which are reported to the MTA Board of Directors (Board) quarterly. Prior to 2021, OP selected a sample of subway station entrances where checkers observed passengers that paid and those that did not. The results were used to develop fare evasion rates for subways. Since 2021, OP uses the sampling plan developed by an expert from Columbia University to provide more accurate results.

In 2019, the MTA and the New York City Police Department (NYPD) combined their resources to introduce a task force to reduce fare evasion, increase revenue, and improve safety for MTA workers. The Fare Enforcement and Worker Protection Task Force (Task Force) is made up of the NYPD, Transit (including EAGLE Teams), MTA Bridges and Tunnels, the MTA Police Department (MTA PD), and other MTA divisions. According to the Fare Enforcement and Worker Safety Program (Program), these agencies were expected to deploy additional law enforcement officers to supplement the efforts of the NYPD and Transit to deter fare evasion.

We issued our initial report on April 15, 2021. The audit objectives were to determine whether Transit and MTA Bus reported accurate estimates of revenue losses from fare evasion to the Board, and whether the MTA took action through the Program to ensure all riders pay the appropriate fare on New York City buses and subways. The audit found that MTA officials did not provide assurance that the Program was effective in achieving its goal of reducing fare evasion losses below 2017 levels (\$150 million). Instead, Transit estimated that it lost more than \$300 million to fare evasion in 2019.

We found that certain aspects of the Transit system contributed to increased fare evasion. For example, Transit designed several subway emergency exit doors to remain open for an extended period of time, providing an easy way for passengers to evade the fare. Also, much of the fare evasion and payment signage we saw was defaced, misleading, not prominently displayed, and/or not in the appropriate language for the neighborhood. We also found that fare evasion and payment signage was often missing, which was especially problematic for SBS, where passengers pay the fare before boarding the bus.

Subway and bus fare evasion rates have increased since our initial report was issued. For the first quarter of 2023 (January–March), the rate for subways was 11.1% ($\pm 0.9\%$) and the estimated rate for buses was 37.6%. After the audit's release, the MTA created a Blue-Ribbon Panel to reduce fare evasion across the MTA system. The panel released its report on May 17, 2023. The report incorporates several of the recommendations of the initial audit report.

The objective of our follow-up was to assess the extent of implementation, as of April 20, 2023, of the 19 recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

MTA Transit officials have made progress in addressing the issues we identified in the initial report. Of the initial 19 recommendations, 13 were implemented, four were partially implemented, one was not implemented, and one is no longer applicable.

Follow-Up Observations

To Transit and MTA Bus:

Recommendation 1

Instruct/remind bus operators that they should follow MTA program guidance to minimize fare evasion, including, but not limited to:

- *Informing students that they must insert their MetroCards.*
- *Informing SBS fare evaders and those who are unfamiliar with the SBS payment process that they are required to pay the fare at bus stop ticket purchase machines before boarding.*
- *Not waving passengers who have not paid the fare onto the bus.*
- *Opening only the middle and rear doors if a passenger requests a stop.*

Status – Implemented

Agency Action – MTA officials provided documents to show bus operators were instructed on bus operations to address fare evasion.

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.

Status – Partially Implemented

Agency Action – We visited 23 bus stops in the five boroughs. Payment signage was not well-maintained at four SBS stops. In addition, we did not see any fare evasion or payment signage at eight of the 20 SBS stops on December 5, 2022. MTA officials advised that the signage was not repaired or replaced because they are implementing One Metro New York (OMNY), the MTA's contactless fare payment system. However, OMNY will not be implemented until 2024 due to delays caused by the COVID-19 pandemic. As an example of signage posted on SBS buses, we were provided a copy of a decal with the fare, instructions, and a fare evasion notice stating that "Fare evasion can result in a fine of up to \$100."

Recommendation 3

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

Status – Not Implemented

Agency Action – The MTA has not implemented this recommendation. For instance, site observations on January 3, 2023 found no directions on how to purchase a ticket in the Chinese language in neighborhoods where it would have been appropriate.

Recommendation 4

Enhance fare payment/ticket purchasing capabilities, including, but not limited to:

- *Ensuring all ticket machines accept cash and credit/debit cards.*
- *Ensuring that all SBS bus stops have ticket purchase machines if the buses are not equipped with a fare box or OMNY.*
- *Developing and implementing mechanisms for cash-paying customers to pay the fare on buses equipped with OMNY.*

Status – No Longer Applicable

Agency Action – As OMNY is available on all MTA-operated local, limited, and SBS routes in New York City, as well as express buses, this recommendation is no longer applicable.

Recommendation 5

Remind MTA personnel to swipe their identification passes and utilize turnstiles when entering the subway system, unless there is a valid reason to use emergency exit doors.

Status – Implemented

Agency Action – The MTA issued a memorandum to remind all Transit employees that entry into the subway and buses requires employees to swipe their pass at the fare turnstile or fare collection box. It also states that employees should not use emergency gates to leave stations unless there is a valid reason for doing so and that proper exiting is through the fare turnstile array.

Recommendation 6

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

Status – Implemented

Agency Action – Signage has been placed in subway booth windows providing brief explanations of the fare amounts, how to purchase fares via different methods, and where a commuter may seek assistance if needed.

Recommendation 7

Instruct EAGLE Team inspectors to tell fare evaders to pay the fare they evaded, even if they have been issued a warning for the offense.

Status – Implemented

Agency Action – A process was started wherein supervisors audit compliance with procedures by visiting the field to observe personnel. We received a copy of two audit memos prepared by superintendents observing EAGLE Teams' actions.

Recommendation 8

Instruct EAGLE Team inspectors to issue fare evaders warnings only for reasons specified in the EAGLE Team Standard Operating Procedures Manual.

Status – Implemented

Agency Action – Procedures were issued to EAGLE Teams stating when warnings can be issued instead of summonses. Supervisors monitor compliance with the procedures.

Recommendation 9

Ensure that fare enforcement practices are consistent among different EAGLE Teams.

Status – Partially Implemented

Agency Action – We observed five surges from January 3 to January 6, 2023 and found some inconsistent practices among the Teams. During three of the surges, passengers who claimed they did not have proof of fare payment received a warning from the EAGLE Team instead of a summons. However, they were not asked to provide any documentation to show they were students and eligible to ride free.

Recommendation 10

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

Status – Implemented

Agency Action – MTA Safety and Security issued a new template to be used by EAGLE Teams. The template provides uniform information from the surges. The EAGLE teams used the template for the five surges we observed.

Recommendation 11

Re-evaluate mechanical design and positioning plans of subways entrances and exits, and make changes as warranted.

Status – Partially Implemented

Agency Action – MTA officials advised us that they re-evaluated the fare array areas in the subway stations during 2021 and 2022. They assessed different designs and equipment that can be used to address fare evasion but have not made a final selection.

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.

Status – Implemented

Agency Action – MTA officials provided information to support their evaluation of whether High Entrance/Exit Turnstiles (HEETs) could be constructed at certain stations. They determined it would cost too much or the station could not be redesigned to include a HEET.

To Transit:

Recommendation 13

Disclose pertinent details of statistical sampling methodologies and results, including confidence and precision levels, when sharing fare evasion results with the Board.

Status – Implemented

Agency Action – For bus fare evasion, MTA started using the data obtained from buses with an APC. As of January 31, 2023, 4,002 of the 6,032 buses in the fleet had an APC. The number of buses with an APC will increase as the fleet is replaced over time. The sampling plan for subways was developed by a consultant and will be revisited, as needed.

Recommendation 14

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

Status – Partially Implemented

Agency Action – The MTA obtained and implemented a sampling plan developed by a consultant to determine subway fare evasion. The plan was designed to present a more accurate picture of where fare evasion occurs in the subway system. It calls for conducting a specific number of fare array surveys. OP reported that, from January 2021 to March 2023, it typically completed 540 to 600 of the 602 assigned surveys necessary to maintain the required sample precision. For buses, the count of passengers to establish fare evasion rates was changed from a manual task by checkers (employees hired to count passengers) to APCs, which were installed in 4,002 of the 6,032 buses (66.4%) in the fleet as of January 31, 2023. The number of buses with an APC will increase when buses are retired and replaced. However, the methodology has not been reviewed to determine whether any changes are needed. MTA officials stated this was delayed due to the COVID-19 pandemic.

To MTA:

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.

Status – Implemented

Agency Action – OP provided documentation to show that the methodology used to calculate fare evasion includes MTA Bus data.

Recommendation 16

Implement sufficient control activities to ensure implementation/execution of Program initiatives, including, but not limited to:

- *Establishing and disclosing to the Board metrics on evaluating the progress and effectiveness of the Task Force and other Program initiatives.*
- *Evaluating and documenting Program effectiveness and taking action to correct problems/deficiencies identified.*

Status – Implemented

Agency Action – MTA officials created a dashboard of information available to not only Board members but also the public. There are links that display information for both bus and subway fare evasion. In addition, “Transit Key Performance Metrics” are published monthly for the Board and the public.

Recommendation 17

Remind NYPD and MTA PD officers to instruct passengers to pay the fare.

Status – Implemented

Agency Action – MTA officials provided a copy of a letter sent to the MTA PD Commanding Officer and the NYPD Transit Bureau Commanding Officer on March 10, 2021. The letter stated that the patrol bureau should instruct all passengers to pay their fare at all turnstile arrays and bus collection fare boxes.

To MTA Chief Operating Officer:

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.

Status – Implemented

Agency Action – As stated in the Agency Action under Recommendation 13, the methodology for determining fare evasion for buses has changed with the use of an APC. For subways, there is a new sampling plan. MTA officials indicated these methods will be reviewed and revised as needed.

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.

Status – Implemented

Agency Action – MTA officials created a task force of internal and external subject matter experts to review fare evasion issues and propose solutions. Their final report was released on May 17, 2023.

Major contributors to this report were Robert C. Mehrhoff, Misty Baldeo, and Elijah Kim.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the MTA for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Carmen Maldonado
Audit Director

cc: M. Woods, MTA
D. Jurgens, MTA
Division of the Budget