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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

July 25, 2025

Janno Lieber  
Chairman and Chief Executive Officer  
Metropolitan Transportation Authority  
2 Broadway  
New York, NY 10004

Re: Non-Revenue Service Vehicles and  
On-Rail Equipment  
Report 2024-F-17

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)-Long Island Railroad (LIRR) to implement the recommendations contained in our initial audit report, *Non-Revenue Service Vehicles and On-Rail Equipment* (Report [2020-S-29](#)).

**Background, Scope, and Objective**

The MTA is responsible for developing and implementing a unified mass transportation policy for New York City and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester counties. MTA carries out these responsibilities directly and through its subsidiaries and affiliates, including LIRR.

LIRR's Engineering Department (Engineering) is responsible for the design, construction, maintenance, and rehabilitation of LIRR's entire physical plant, excluding rolling stock. Vehicle Fleet Operations (VFO) and the Track Department (Track) are two of the nine subdivisions of Engineering.

VFO is responsible for the overall administration of fleet vehicles, including design, specifications, purchasing, coordination of maintenance through third-party vendors, fueling, and relinquishment. During the period from May 2023 to September 2024, VFO was responsible for an inventory of 1,024 active vehicles (811 owned and 213 leased) used by 26 LIRR departments. The VFO fleet is made up of cars, SUVs, trailers, trucks, and vans.

VFO does not service vehicles in-house. Instead, it has a maintenance contract with a vendor that schedules the preventive maintenance (PM) and repairs for the fleet, keeps the maintenance records, and coordinates billing with local independent mechanic shops. All the administrative functions are done within the vendor's proprietary software. The software also has some cost monitoring functionality. VFO officials make unscheduled visits to the vendor's mechanic shops daily to verify that work is progressing and that the repair costs are justified for the vehicles. VFO staff monitor the open invoices in the vendor's system and must authorize

all invoices over \$450 before work can be undertaken. Costs are adjusted as needed prior to approval in the system.

According to LIRR, among Track's responsibilities is the maintenance of 396 pieces of on-rail equipment. Track has a maintenance shop at the Hillside Support Facility (HSF) that provides both maintenance and repair services for its on-rail non-revenue service equipment. The Maintenance of Way Materials (MofW) unit maintains a warehouse at HSF to supply parts needed to perform maintenance and needed repairs on the on-rail equipment. As of January 1, 2025, the MofW Parts Inventory listing consisted of 10,839 different part numbers/types and was valued at almost \$12.5 million. The Inventory listing is reported at the end of every month to Track management and to Finance for financial statement reporting purposes.

The objectives of the initial audit, issued May 3, 2023, were to determine whether LIRR maintained an accurate inventory and consistently retired/disposed of its non-revenue service highway fleet vehicles; and whether it performed PM on its highway fleet vehicles and on-rail equipment and maintained an accurate inventory of parts required to repair the on-rail equipment. The audit found that LIRR lacked formal policies and procedures for maintaining accurate inventories, performing PM, and managing non-revenue vehicle fleet and on-rail equipment, leading to missing documentation, late or incomplete maintenance, and discrepancies in inventory records. Additionally, cost-benefit analysis for vehicle leasing and purchasing was often incomplete, and parts inventory management lacked sufficient controls, increasing the likelihood of asset loss as well as other operational issues. The objective of our follow-up was to assess the extent of implementation, as of April 17, 2025, of the 13 recommendations in the initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

The MTA made some progress in addressing the problems we identified in the initial audit report. Of the initial report's 13 audit recommendations, three were implemented, four were partially implemented, and six were not implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Verify that all required documents, such as vehicle title, are included in the hard-copy folder and ensure that documentation is periodically confirmed.*

Status – Implemented

Agency Action – VFO developed a sign-off sheet used to check that each file is complete. We selected a random sample of 20 of the 811 LIRR-owned vehicles and 11 of 213 leased vehicles. The 31 files had all the required paperwork.

#### **Recommendation 2**

*Establish a formal process for vehicle exemption from scheduled PM that includes documented rationale for exemption and formal notification of the department head and executive management.*

Status – Not Implemented

Agency Action – LIRR did not develop a formal procedure because, according to officials, there are only limited well-known rationales for exemptions.

### **Recommendation 3**

*Ensure that records are backed up in case the maintenance contract vendor's system is compromised.*

Status – Not Implemented

Agency Action – LIRR officials did not provide a disaster recovery plan/procedure. Instead, they provided an extract from the contract with the vendor that authorizes LIRR to make a backup copy of the system file. However, no evidence of a backup copy being made or a plan to restore the data in case of failure was provided.

### **Recommendation 4**

*Revisit the ENG-006 Passenger and Work Vehicle Replacement and Additional Request Procedure to ensure a complete cost-benefit analysis occurs on a timely basis.*

Status – Implemented

Agency Action – We were provided with a cost-benefit analysis of lease versus buy for a sample of 10 vehicles.

### **Recommendation 5**

*Develop and implement a procedure for visiting shops based on the nature of the repair, which at a minimum requires reporting on the vehicles examined and the expectation for their return to service, and document the visit.*

Status – Partially Implemented

Agency Action – LIRR did not develop a written procedure for visits to repair shops. According to LIRR officials, VFO has been instructed to perform shop visits several times a month, including for repairs over \$10,000, for older vehicles requiring extensive repairs, and to expedite repairs of critical vehicles or multiple vehicles in shop for service. Truck coordinators use the downtime report, which shows milestones or red flags related to vehicles that have been out-of-service for a month or more, to determine when a visit is needed. Visits are also documented in the report. We verified visits were made by reviewing the downtime reports for a sample of 7 months from June 2023 to January 2025.

### **Recommendation 6**

*Ensure that the EAM system under development contains sufficient data to maintain both Track's inventory and maintenance history of on-rail equipment.*

Status – Partially Implemented

Agency Action – LIRR officials advised us that the Enterprise Asset Management (EAM) system was developed to record all LIRR assets and not the maintenance of non-revenue vehicles and on-rail equipment. However, HSF officials identified a process where they could enter maintenance history. We sampled 30 of 396 pieces of equipment and found some maintenance history for 23 of 30 pieces of on-rail equipment.

### **Recommendation 7**

*Perform internal periodic reconciliation of Track equipment inventory between the Track Excel listing and the Shop Database.*

Status – Not Implemented

Agency Action – HSF officials stated that both files contain the same information; however, they did not provide supporting documentation or access to employees who could access the files and demonstrate they were reconciled.

### **Recommendation 8**

*Ensure that LIRR Corporate Policy and Procedure PL-025 is followed, including all required reconciliations.*

Status – Not Implemented

Agency Action – Access to necessary records and the required people was not provided; therefore, we could not determine if PL-025 is being followed.

### **Recommendation 9**

*Revisit the retention policy for ownership documents to ensure that records are retained until the property is disposed.*

Status – Implemented

Agency Action – The retention information provided requires that LIRR keep records for 7 years after it (the vehicle) is out of service.

### **Recommendation 10**

*Establish a PM process that documents when maintenance is done or the reasons it was not done.*

Status – Not Implemented

Agency Action – There is no process in place to document when maintenance is done or the reasons it was not done. HSF officials advised that they follow the original equipment manufacturer's guidelines in the service manuals. However, they added that they do not do all the required PM because they do not have sufficient staff.

### **Recommendation 11**

*Ensure that the Daily Reports are completed and distribution procedures are followed.*

Status – Partially Implemented

Agency Action – For a sample vehicle, we determined that daily reports were completed. However, no support was provided to show that distribution procedures are being followed.

### **Recommendation 12**

*Develop and implement formal procedures for removing and returning parts from the MofW warehouse at HSF. Monitor compliance with the procedures.*

Status – Not Implemented

Agency Action – No formal procedures were developed for removing and returning parts from the MofW warehouse at HSF.

### **Recommendation 13**

*Enforce the BSC policy for submitting purchase order invoices for operating-funded expenditures.*

Status – Partially Implemented

Agency Action – We reviewed a sample of 15 purchase orders for operating-funded expenditures to determine if the Business Service Center (BSC) policy for submitting purchase order invoices was followed. While documentation was provided, information on when the BSC received the invoices (which is required to assess timeliness) is not kept.

Major contributors to this report were Robert C. Mehrhoff, Danielle Marciano, Diego Mora Rojas, and Hadassah Leiva.

MTA officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of the MTA-LIRR for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Carmen Maldonado  
Audit Director

cc: M. Murray, Metropolitan Transportation Authority  
D. Jurgens, Metropolitan Transportation Authority  
Division of the Budget