

ALAN G. HEVESI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 30, 2005

Mr. Raymond P. Martinez
Commissioner
NYS Department of Motor Vehicles
6 Empire State Plaza
Albany, New York 12236

Re: Report 2005-F-6

Dear Mr. Martinez:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Motor Vehicles (Department) to implement the recommendations contained in our audit report, *Planning and Security Policies and Procedures for Implementing E-Government Systems* (Report 2001-S-39).

Background, Scope and Objective

On June 12, 2000, the Governor of New York State electronically signed a proclamation to officially commence the State's e-commerce initiative known as "Government Without Walls." The vision of this initiative entails the online availability of virtually all critical government services 24 hours a day, 7 days a week to everyone, everywhere. This capability is generally referred to as electronic government (e-government). On August 15, 2000, the Commissioners and Executive Deputy Commissioners from 61 State agencies, in coordination with the Governor's Office for Technology (OFT), developed a list of the State's 75 top priority critical services and transactions that lend themselves to online processing. Since then, State agencies continue to work towards increasing government services and transactions to be accessible and transacted online. The Department is one of the first State agencies to embrace e-government services and establish an Internet website where citizens can transact business. At the time of our prior audit, as of December 31, 2001, the Department had three e-government services available to citizens allowing them to complete their government business on-line. These three services included vehicle registration renewal through the Internet, on-line specialty license plate ordering, and on-line ordering of duplicate titles. According to the Department, the State had over 10.5 million registered vehicles at the time of our prior audit. In calendar year 2000, the first full year that the Department provided its e-government services, over 33,000 customers renewed registrations and over 11,500 customers ordered specialty plates online.

As of May 11, 2005, the Department offered 22 e-government services. For calendar year 2004, the Department reported processing over 4.3 million online transactions. The reported number of e-government transactions processed by the Department in 2004 is as shown in the following table.

Reported E-government Transactions Calendar Year 2004		
Fee Transactions:	Number	Totals
Insurance Proof	36,829	
License Abstract	35,079	
License Duplicate	70,196	
License Renewal	16,568	
Permit Duplicate	5,028	
Road Test Scheduling	240,370	
Payment of Road Test Fees	14,815	
Suspension/Termination Fees	1,000	
Order Custom Plates	25,389	
Registration Duplicate	30,643	
Registration Renewal	781,663	
Inspection Stickers	40,092	
Social Security Number Verification	50,240	
Title Duplicate	53,899	
Total Fee Transactions		1,401,811
Non-fee Transactions		
Title Lien Status	982,243	
License Mailing Status	107,465	
Plate Look-up	1,726,997	
Plate Mailing Status	106,730	
Registration Fee Calculator	39,525	
Total Non-fee Transactions		2,962,960
Total Internet Transactions		<u>4,364,771</u>

The Department also added a new transaction for on-line payment of the driver responsibility assessment (a penalty for certain traffic infractions) on May 9, 2005. The Department also provides informational services on the website including informational bulletins for governmental agencies and a service for customers to look up information from a knowledge database referred to as "Ask DMV" or "Find Answers." The website also offers Department forms, driving manuals, and an interactive written practice quiz for customers taking the permit test.

Our initial audit report, which was issued on July 11, 2002, examined the planning and security policies and procedures used by the Department to implement its e-government systems for the period July 1, 1999 through December 31, 2001. Our report identified several weaknesses in the

Department's e-government initiative. For example, we found that the Department began providing e-government services without developing a strategic plan to guide the planning and implementation of these services. We also found that the Department needed to improve security over its e-government applications to prevent unauthorized access and to allow for an adequate recovery process in the event of a disaster and loss of computer resources. The objective of our follow-up, which was conducted in accordance with generally accepted government auditing standards, was to assess the extent of implementation as of July 13, 2005, of the eight recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that Department officials implemented our eight prior audit recommendations. Agency actions concerning two of the eight recommendations deal with sensitive information technology security issues. As such, the Department's actions are not included here. We provided details of our follow up for the two recommendations to the Department during the conduct of our audit.

Follow-up Observations

Recommendation 1

Continue to develop and implement a strategic plan for e-government services.

Status - Implemented

Agency Action - Based on our review of Department records and its website, and interviews with Department officials, we found that the Department developed and implemented a strategic plan for its e-government services. The Department has incorporated its e-DMV initiatives into the normal process for its systems and program development. The Department contracted with a consulting firm to assess its e-government progress and to make recommendations to guide future decisions. In response to the consultant's recommendations, the Department developed an e-government vision statement consistent with the agency vision and goals, established an e-government Guidance Team responsible for selecting e-government initiatives and setting priorities, and established an e-government champion responsible for overseeing the day-to-day implementation of its e-government initiatives. The Department integrated the development of e-government initiatives with its normal information technology project process. Department officials told us that they have made most existing services available on their website and have plans for making several additional services such as court scheduling, dealer and repair shop license renewal, and certified inspector license renewal internet based. Any additional e-government services would be related to new Department products or services.

Recommendation 2

Establish measures for determining whether e-government performance is meeting related goals and objectives.

Status - Implemented

Agency Action - Department records describe the Department's e-government vision statement which includes improving customer service and enabling customers to complete transactions or obtain information via self-service, anytime and anywhere it is convenient for that customer. Our review of Department records of monthly on-line transaction volumes, and the results of customer satisfaction surveys for customer use of the Department's website, we found that the Department measures its e-government performance. Since January 2002, the Department has made significant strides to increase its on-line services available to customers as indicated by the addition of 19 e-DMV services. Department records also show that e-DMV transactions have increased from about 112,000 to over 4.3 million during the three years since January 2002. Department customer survey results for 2004 show that about 93 percent of responses indicated their e-DMV experience was good or excellent. Department officials told us that another goal is to have wait times less than 30 minutes, but they are not able to measure the affect of e-DMV on overall wait times because many variables such as staffing levels also affect customer wait times.

Recommendation 3

Continue to research the Department's customer base to ensure that all customer requirements, such as language needs and privacy concerns, are considered in current and future e-government applications.

Status - Implemented

Agency Action - To better serve the significant population of Spanish speaking customers, the Department now offers its website informational content in Spanish and provides 14 forms and 7 manuals in Spanish. The Department purchased products and services to prepare the website for automated machine translation and has the capability to offer its web page in other European and Asian languages. However, officials told us that they do not have current plans to offer additional language options due to the high cost of providing these services.

Recommendation 4

Ensure the Department's online privacy policy is readily accessible and up-to-date, as well as covers appropriate use and related penalties.

Status - Implemented

Agency Action - We visited the Department's website and observed that its on-line privacy policy is readily accessible and it contains the same sections and similar wording as the policy on the

New York State Office of Technology's (OFT) website. Our review of the policy shows that it states that the Department may disclose personal information to federal or State law enforcement authorities to enforce its rights against unauthorized access or attempted unauthorized access to the Department's technology assets. Department officials also told us that when customers conduct transactions, there is a misuse statement at the login screen as well as a terms and condition statement which users must click to agree to the conditions. Department officials further indicated that investigators will pursue situations as they arise that may affect the security of transactions.

Recommendation 5

Maintain documentation of the Department's legal reviews of e-government-related issues.

Status - Implemented

Agency Action - Department officials provided documentation that its Counsels office reviewed and approved its internet privacy policy at the time of our prior audit. Department officials indicated that revisions to the policy are only made when directed by its legal department or if the OFT provides a recommended change. They also told us that no substantial changes have been made since the prior audit so there is no evidence of an interim legal review.

Recommendation 6

Continue efforts to develop and implement an advertising plan to ensure the public is aware of e-government services.

Status - Implemented

Agency Action - The Department has demonstrated that it has continued to develop and implement an advertising plan to ensure that the public is aware of its e-government services. Department officials provided extensive examples of promotional and advertising materials used to promote its website and e-DMV services. Examples of these promotional materials include press releases announcing new online initiatives, mail inserts, publications and forms identifying its web address, promotion of the website as well as e-DMV services through magazine articles and by placing advertisements in various publications for custom plates. The Department also takes part in a variety of shows and fairs at which it sets up an informational kiosk and distributes promotional materials such as pencils, bags, and business cards advertising its website and its campaign named "Skip the Trip - Get Online...Not in line."

Recommendation 7

Recommendation 8

The results for recommendations 7 and 8 were provided to the Department during the conduct of our audit and are not identified here due to the sensitivity of the information and potential risk associated with such information.

Major contributors to this report were Steve Goss and Peter Pagliaro.

We thank the management and staff of the Department of Motor Vehicles for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Carmen Maldonado
Audit Director

cc: Robert Barnes, Division of the Budget
Ed Wade, Department of Motor Vehicles