

THOMAS P. DiNAPOLI  
COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

December 8, 2016

Ms. Theresa L. Egan  
Executive Deputy Commissioner  
Department of Motor Vehicles  
6 Empire Plaza  
Albany, NY 12228

Re: Accountability for Traffic Ticket  
Surcharges  
Report 2016-F-12

Dear Executive Deputy Commissioner Egan:

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 to implement the recommendations contained in our audit report, *Accountability for Traffic Ticket Surcharges* (2014-S-26).

**Background, Scope, and Objectives**

New York State Vehicle and Traffic Law authorizes cities that meet an established population requirement – currently set at 200,000 or more – to adjudicate non-criminal traffic infractions through administrative tribunals instead of the court system. Within the Department of Motor Vehicles (Department), Traffic Violations Bureaus (TVBs) were established to run the State's administrative adjudication program, which is intended in part to divert such high-volume non-criminal cases from the court system and thereby free the courts to concentrate instead on the more serious cases. Currently, the Department operates nine TVBs: eight in New York City and one in Rochester. The Buffalo TVB closed subsequent to the issuance of our initial audit report.

TVBs are responsible not only for adjudicating non-criminal traffic tickets (e.g., moving violations, equipment violations, bicycle violations), but also for processing conviction fines and traffic ticket surcharges. Unlike fines, surcharges are non-negotiable costs – preset based on the type and date of violation – that cannot be waived. Surcharge amounts have been periodically adjusted over the years as a result of the State budget process. Since July 2013, the surcharge has been \$88 for moving violation tickets and \$58 for equipment violation tickets. Bicycle violations are not assessed surcharges. The Vehicle and Traffic Law imposes a cap on the total amount of surcharge that can be assessed per incident (i.e., traffic stop). During the period since our initial audit report was issued – August 10, 2015 through July 21, 2016 – the Department collected over

\$141 million in revenue from the TVBs, including over \$58 million generated from traffic ticket surcharges.

The Department's Traffic Violation Division (Division) is responsible for managing traffic ticket data and for processing motorists' pleas and payments. Its data management system is designed to automatically assess surcharges based on the information that is entered from traffic tickets. According to Department officials, the Division's Data Entry Unit processed about 1.1 million traffic tickets between August 10, 2015 and July 21, 2016. The Office of Information Technology Services (ITS) provides support for the Department's information technology operations, including its data management system.

Our initial audit report, which was issued on August 10, 2015, covering the period April 1, 2012 through July 31, 2014, determined that, on an overall basis, the Department consistently accounted for and reported all traffic ticket surcharge revenue received through the TVBs and the Division. However, we did identify one error where the Department double counted revenue collected for the week of May 27-31, 2013, effectively overstating surcharge revenue by \$965,266. We also identified certain areas where the Department could make greater use of the data it maintains to better manage and improve its operations.

The objective of our follow-up was to assess the extent of implementation, as of October 18, 2016, of the four recommendations included in our initial report.

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

We found that Department officials have made progress in implementing each of the recommendations identified in our prior audit report. Of the four prior audit recommendations, one has been implemented and three have been partially implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Process appropriate adjustments to correct the \$965,266 in surcharge revenue that was reported twice for May 2013.*

Status – Implemented

Agency Action – The Department corrected this error in its annual year-end adjustment for fiscal year 2014-15, and reflected this adjustment in its June 2015 monthly Article 2-A funds transfer.

#### **Recommendation 2**

*Develop a more proactive approach to monitoring and analyzing the data management system, including conducting routine system reviews and establishing controls to ensure modifications are*

*working as intended.*

Status – Partially Implemented

Agency Action – In response to our original audit findings, the Department issued refunds to motorists who were improperly charged and paid surcharges on bicycle tickets. In addition, it established a new method for processing bicycle tickets in an effort to avoid the improper application of surcharges. Further, Department officials stated that their data analysis unit has been providing management with on-demand ad hoc reports and analytical services, as well as daily reports of tickets that require special processing, and have evaluated certain specific aspects of the Administrative Adjudication System. Department officials also indicated they research individual motorists' complaints to identify problems with systems and processes.

While these are all avenues for addressing existing concerns, these approaches are more reactive in nature, focusing on correcting errors with the system rather than regularly analyzing available traffic ticket surcharge data to identify potential errors and other problems with the accountability over traffic ticket surcharges. Officials could not provide evidence to demonstrate this type of proactive monitoring and analysis.

**Recommendation 3**

*Analyze system and source documentation (e.g., traffic tickets) for traffic stops that resulted in multiple traffic tickets subject to the surcharge cap to identify and correct any instances where motorists were charged an incorrect surcharge.*

Status – Partially Implemented

Agency Action – Department officials followed up on the relevant findings in the initial report and determined the two incidents we identified were too old to seek payment from the ticketed motorists. As a result, officials have not analyzed system and source documentation to identify additional past instances where motorists who received multiple tickets were charged an incorrect surcharge. The Department has worked with ITS to reprogram its system to identify and distinguish motorists who receive multiple tickets from two or more officers on the same day. Specifically, on May 14, 2015, the Department instituted a new procedure that uses data from such tickets (e.g., the traffic ticket violation date, Enforcement Agency number [National Crime Information Center number], the police officer's identification number, and the TVB office) to better identify separate traffic violations by the same motorist on the same day through tickets issued by different officers. Although this program change does not account for motorists who receive multiple tickets from the same officer on the same day, officials believe there is a low risk of such situations occurring. Finally, the Department is also developing a time stamp field for its data system to better identify multiple tickets issued to the same motorist on the same day.

#### **Recommendation 4**

*Work with ITS to implement system and data changes necessary to ensure surcharges are properly and consistently applied.*

Status – Partially Implemented

Agency Action – The Department submitted six work orders to ITS to correct the improperly and inconsistently applied surcharges identified in our initial audit report. According to Department officials, ITS completed all of the work orders as of August 11, 2016. Department officials provided test plan documentation for three of the six work orders that demonstrated the changes were implemented. The Department was unable to either demonstrate that the changes resulting from the three other work orders were functioning as intended or provide documentation to support that implementation occurred. In these cases, test plans were not completed and/or further time needs to elapse before officials can determine if the corrections are working as intended.

Contributors to this report were Donald Geary, Deb Spaulding, Danielle Rancy, and Lisa Dooley.

We would appreciate your response to this report within 30 days indicating actions planned to address the unresolved issues discussed in this report. We thank the Department's management and staff for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

John F. Buyce, CPA, CIA, CFE, CGFM  
Audit Director

cc: NYS Division of the Budget  
Jannette Potera, Department of Motor Vehicles