

## Executive Summary for Review of Veolia Transportation, Inc., d/b/a ACCESS Transportation Systems (ACCESS) Service Providers' Employee Drivers' Licenses, Motor Vehicle Registrations and State Inspections

In May 2011, Port Authority's CEO requested that the Internal Audit Department review ACCESS' service providers' 1) operator drivers' licenses, 2) motor vehicle registrations, and 3) state inspection records for vehicles used for transportation services to ACCESS customers. This request was made after an ACCESS service provider's employee was involved in an accident on March 30, 2011 and the police investigation revealed that he had been driving with a suspended driver's license.

The purpose of this audit was to determine if, as of June 2, 2011:

- 1) ACCESS service providers' operators have valid drivers' licenses, and,
- 2) Vehicles used by ACCESS' service providers have valid motor vehicle registrations and current state inspections.

We reviewed driving records for all service providers' operators, and Motor Vehicle Registration Forms and state inspection records for all vehicles used by the service providers to provide transportation services to ACCESS customers. We interviewed the CEO of ACCESS and corresponded with representatives from the service providers to understand and document the processes that each of them use to verify drivers' licenses before hiring, monitor driving records on an on-going basis, and ensure that motor vehicle registrations and state inspections are performed on a timely basis. We also reviewed service providers' policies and procedures for hiring/training operators and drug and alcohol testing.

### Results of the Audit

We determined that all motor vehicle registrations and state inspections were current on the 408 vehicles used by ACCESS' seven service providers. In addition, ACCESS personnel completed annual reviews of service providers' adherence to preventive maintenance plans as required by the Federal Transit Administration (FTA).

On June 2, 2011, of the total of 454 service providers' operators, 451 had valid drivers' licenses and three had suspended licenses. In addition, two had pending license suspensions, one was hired with a valid Virginia driver's license instead of a Pennsylvania driver's license and three had driven with suspended licenses at some time in the three-year period prior to June 2, 2011. Each instance involving an invalid driver's license has been addressed by the management of ACCESS and the appropriate service provider. The table in Attachment A summarizes the results of our tests.

Several recommendations were made to improve business processes.

### Observations and Recommendations

#### Observation 1 – Periodic Reviews of Service Providers' Operators' Driving Records

We reviewed 454 driving records and noted that as of June 2, 2011, three operators were driving with suspended licenses, two had pending license suspensions, one was hired with a valid Virginia driver's license instead of a Pennsylvania driver's license and three had driven with suspended licenses in the past three years (Refer to Attachment B for detail). ACCESS management informed us that two of the three operators with suspended drivers' licenses were unaware that their licenses were suspended and noted that PennDOT does not mail suspension notices by registered mail (refer to Attachment B for further explanation). I Also, these two suspensions were not the result of moving violations.

All seven ACCESS service providers have a process in place to verify that newly hired employees have valid drivers' licenses. Regarding ongoing, periodic verifications of drivers' licenses, as of July 7, 2011, six of the seven service providers plan to verify the status of the operators' drivers licenses annually themselves. One service provider plans to continue to rely on its insurance carrier to complete the verifications of drivers' licenses on a quarterly basis. However, prior to the March 30, 2011 accident, all of the service providers relied on their insurance carriers to verify the status of the operators' drivers' licenses.

## Executive Summary for Review of Veolia Transportation, Inc., d/b/a ACCESS Transportation Systems (ACCESS) Service Providers' Employee Drivers' Licenses, Motor Vehicle Registrations and State Inspections

All service providers require their employees to report any moving violations that they receive. This process has an inherent risk that employees might not report suspensions because they are not aware that their driver's license has been suspended or might fail to report violations because their employment can be terminated as a result.

### Recommendation 1

ACCESS should implement a process where driving records for all service providers' operators are checked with a frequency that permits the timely identification of operators who have suspended/expired drivers' licenses and/or other driver's license violations. During discussions with ACCESS' management, the CEO explained ACCESS' plans for establishing a process to independently verify the validity of the service providers' drivers' licenses. The interval of these verifications was discussed and ACCESS' management agreed that a monthly verification would be optimal. ACCESS' implementation of this plan will improve the identification of operators with invalid drivers' licenses.

### Management Response 1

ACCESS' management response is provided in a letter shown in Attachment C

### Observation 2 – Monitoring Vehicles Used to Provide Paratransit Service

ACCESS' business process is intended to enable ACCESS to monitor and control the vehicles that are being used to provide paratransit services. To this end, the Infinity software system that is used to create manifests should not allow a vehicle to be scheduled for service unless it is registered with ACCESS by being entered into the Infinity software. We noted that ACCESS was not using this feature and that the vehicles being used to provide paratransit services were not loaded into Infinity prior to June 2, 2011. Prior to this time, ACCESS employees manually compared vehicles used in service against a vehicle inventory list periodically provided by the service providers. Since that time, the ACCESS CEO has informed us that Infinity has been loaded with vehicle numbers that are approved for use and the service providers can no longer schedule a vehicle for service unless an employee from ACCESS registers it in Infinity first. We believe that these actions effectively mitigate the risks and no further recommendation is made.

### Recommendation 2

No further recommendation is made.

### Observation 3 – Monitoring Drivers' Licenses' for Service Providers' Employees

ACCESS' business processes are intended to monitor and control the service providers' operators. To this end, the Infinity software should not allow a service provider to assign an operator who is not registered in Infinity to drive an ACCESS vehicle. We noted that some drivers' license expiration dates in Infinity were expired (i.e., they had not been updated). This situation also shows that Infinity does not prevent an operator who has an expired drivers' license from being assigned to drive an ACCESS vehicle.

The ACCESS CEO explained that, as of June 2011, the Infinity system is being utilized to prevent operators with invalid driver's licenses from being assigned to drive. We believe that this action effectively mitigates the risks and no further recommendation is made.

### Recommendation 3

No further recommendation is made.

Executive Summary for Review of Veolia Transportation, Inc., d/b/a ACCESS Transportation Systems  
(ACCESS) Service Providers' Employee Drivers' Licenses, Motor Vehicle Registrations and State  
Inspections

Attachment A - Summary of Test Results

Service Provider	Number of Operators	Operators With Valid Drivers' Licenses as of June 2, 2011	Operators Without Valid Drivers' Licenses as of June 2, 2011	Total Number of Vehicles	Vehicles With Motor Vehicle Registrations and State Inspections	Vehicles Without Motor Vehicle Registrations or State Inspections
AirStar	42	42	0	30	30	0
Classy Cab	29	29	0	15	15	0
CommTrans	74	74	0	60	60	0
First Transit: Bethel	49	48	1	53	53	0
Monroeville	36	36	0	42	42	0
NAMSC	91	91	0	74	74	0
p.r.n. Paratransit	56	55	1	64	64	0
S&S Transit	<u>77</u>	<u>76</u>	<u>1</u>	<u>70</u>	<u>70</u>	<u>0</u>
Total	454	451	3	408	408	0

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(ACCESS) Service Providers' Employee Drivers' Licenses, Motor Vehicle Registrations and State  
Inspections

Attachment B – Status of Drivers' Licenses as of June 2, 2011

We reviewed the driving records of 454 service providers' operators with the following results:

As of June 2, 2011, three employees were working with suspended drivers' licenses. Details are shown in the following table.

<b>Employee/Service Provider</b>	<b>Driver's Status as of June 2, 2011</b>	<b>Status as of 6/23/2011</b>
One employee at First Transit Bethel	Employment suspended due to medical requirement affecting driver's license.	The issue has been resolved, PennDOT has restored driver's license and employee is now working.
One employee at p.r.n. Paratransit	Employment terminated.	n/a
One employee at S&S Transit	Employment suspended while payment of a moving violation fine could be resolved.	Issue resolved and employment reinstated.

We also noted that prior to June 2, 2011, three employees had driven with suspended drivers' licenses in the past three years. Details are shown in the following table.

<b>Employee/Service Provider</b>	<b>Driver's Status prior to June 2, 2011</b>	<b>Status as of 6/23/2011</b>
One employee at CommTrans	License suspended two months in 2010.	Employment terminated.
One employee at CommTrans	Employee drove two days with suspended license. Violation not expunged from record and company policy prohibits employee from working with violation on the record.	Employment suspended while employee pursues expungement.
One employee at NAMSC	License suspended due to failure to pay a fine for a moving violation and employee drove with a suspended license.	Employment suspended. (Note: as of July 13, 2011, employment was terminated).

One employee of NAMSC took a leave of absence during the time that his license was suspended. Although he did not drive while his license was suspended, he did not notify his employer of the suspension. His employment has been terminated.

One employee of NAMSC was hired without a valid Pennsylvania driver's license. The issue has been resolved and his employment was reinstated.

Two employees of CommTrans failed to notify their employer that they had pending drivers' license suspensions. Employment for both of these employees has been terminated.



August 18, 2011

Ms. Brenda Fink  
Port Authority of Allegheny County  
345 6<sup>th</sup> Ave.  
Pittsburgh, PA 15222

Dear Brenda:

This is in response to your August 15 correspondence regarding the review of ACCESS service provider vehicle registrations, state inspections and valid driver's licenses.

### **Management Response – Recommendation One**

As I indicated during the review, it is my plan that ACCESS will conduct a regular review of current MVRs for all drivers within the ACCESS system. Our 100% review would be independent of and in addition to whatever reviews are currently being conducted by providers themselves.

My intent was to arrange for ACCESS to receive the MVRs directly from PennDOT. In attempting to set up an account to obtain the MVRs, we encountered a series of barriers because the drivers are not employees of ACCESS. There were questions as to whether we could obtain the files at all, and at least one provider (First Transit) indicated that they probably would not be able to sign the necessary affidavits to enable us to obtain the records directly because of current litigation in another state on the same topic.

We have decided instead to require the providers to run 100% of driver MVR checks themselves monthly and forward all of them to us for review. This is the same process we used as part of the review for the June 2 system wide MVR check. This alternative process will enable ACCESS to receive the source documentation monthly; an interval sufficient to enable providers and/or ACCESS to identify drivers who have been notified of a pending suspension, and take action prior to the actual license suspension date. I anticipate that we should be able to maintain this level of effort with our current staff resources.

Effective September, 2011, we will require every ACCESS service provider to run an MVR check on every current ACCESS driver and forward the reports to us. We will conduct a 100% review of the MVRs, file them for future review and follow up in writing with providers as necessary.

There is a \$10 fee for each MVR, and since this will be a new requirement which is not included in current provider contracts, we will have to reimburse providers for the additional cost. (At least one provider is currently already conducting monthly MVR reviews.) Over the course of a year the additional cost will be roughly \$54,000. If

Ms. Brenda Fink  
August 18, 2011  
Page Two

providers request reimbursement, we will pay the additional cost for the rest of this calendar year, and add the requirement for monthly MVR reports to the 2012 ACCESS provider agreements, at which time providers will include this relatively nominal cost as part of their hourly rate.

**Advisory Comments**

Our new process of reviewing MVRs and criminal history checks prior to providers hiring applicants enables us to ensure that each provider is following its own personnel policy in the area of hiring standards. Although providers are ultimately responsible for their own hiring and firing, we can at least verify that their potential new employees meet the minimum standard outlined in their hiring policies.

ACCESS service providers are currently required to notify ACCESS of terminations of safety sensitive employees in writing, within a week.

Thank you very much for the opportunity to work with you and your staff to identify ways in which we can continuously improve this most important aspect of our service. Should you have any additional questions or concerns, please do not hesitate to contact me.

Sincerely,



Karen Hoesch  
Executive Director