



Niagara Frontier Transportation Authority
Serving the Niagara Region

181 Ellicott Street
Buffalo, New York 14203
716-855-7300
Fax: 716-855-7657
TDD: 855-7650
www.nfta.com

October 14, 2010

David R. Hancox, CIA, CGFM
Director of State Audits
State of New York
Office of the State Comptroller
110 State Street
Albany, NY 12236

Re: Final Audit Report (2010-S-26)

Dear Mr. Hancox:

We are in receipt of the final audit report. Listed below are our responses to the audit recommendations.

Audit Report Recommendations:

1. The Chairman should appoint a committee to properly investigate time and attendance abuse in the Transit Police Department.

We concur and this recommendation was implemented prior to your audit. The Internal Audit Department, Executive Director and Police Chief have investigated the abuse and disciplinary actions were immediately taken. On a going forward basis, we have enhanced internal controls and the Internal Audit Department has been tasked with conducting annual audits on attendance and outside employment. In this manner, any employees violating the policies and procedures will be disciplined in a timely manner within the parameters of the union contracts. The most recent audit of the Transit Police Additional Employment was started on September 13, 2010 and the results will be reported directly to the Chairman and the Board of Commissioners upon completion.

2. Take action against the police officers involved in the double dipping.

All officers that could be disciplined under the union contract were suspended without pay in 2009, based on the investigation we conducted. The action to respond to this recommendation has been completed. Further, the former Chief, and the current Chief, brought this matter to the attention of Erie County District Attorney (DA) who twice declined prosecution based on the information at that time. Since the release of the draft audit report by the New York State Comptroller, the DA again declined prosecution.

3. The Executive Director needs to change the culture in the Transit Police Department.

We agree that a change in the culture of the Transit Authority Police Department was necessary and this occurred immediately following our investigation. We feel that

changing corporate culture is everyone's responsibility. At the NFTA, our values statement includes "[w]e operate with integrity and high ethical standards" and that "we adhere to high standards of performance and accountability". These values are being reinforced not only with the Police, but also with all employees. These incidents that have led to a violation of our values, policies and procedures have been discussed with the police officers, supervision, Management Team and the Board. The tone has been set and our tolerance of violations will continue to be met with discipline, up to and including termination.

4. The Executive Director needs to periodically monitor the officer's second job work hours to ensure officers are not working a second job during Transportation Authority scheduled work hours.

We concur with the recommendation. As previously noted, annual audits will be conducted and spot checks will be made of officers to ensure they are where they are assigned while on duty at the NFTA.

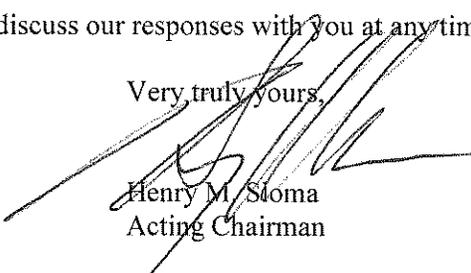
In addition to monitoring the additional employment work hours, we have established enhanced internal controls, as listed below, to ensure, to the greatest extent possible, that our employees act in a professional and ethical manner.

- No off-duty employment will be approved which begins within 30 minutes of the end of an officer's scheduled shift.
- Outside employers will be contacted by the Transit Authority Police Department (TAPD) and advised as to the policies and procedures of the TAPD, including the limit of 20 hours per 5 days of off-duty employment, the regularly scheduled shifts of the respective officers and the allowed starting time of the off-duty employment.

The subject of this audit is a serious matter that has been and will continue to be given the utmost attention by the Board and the Management of the NFTA. We consider audits to be learning tools, not only to achieve continuous improvement for our organization, but the reports may also serve to help other entities.

The NFTA staff is willing to discuss our responses with you at any time.

Very truly yours,



Henry M. Sloma
Acting Chairman

HMS/cf

cc: Patrick Dalton
George Gast
David M. Gregory
Deborah C. Leous
Thomas Lukas, Division of Budget
Lawrence M. Meckler