
**Thomas P. DiNapoli
COMPTROLLER**



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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE
GOVERNMENT ACCOUNTABILITY**

DEPARTMENT OF MOTOR VEHICLES

VEHICLE EMISSIONS TESTING PROGRAM

Report 2008-S-47

AUDIT OBJECTIVES

Our objectives were to determine whether: inspectors were certified to perform emissions inspections, emissions inspections are done using approved test methods and current technology, and the Department of Motor Vehicles (DMV) is properly overseeing the Vehicle Emissions Testing Program.

AUDIT RESULTS - SUMMARY

The Federal Clean Air Act Amendment of 1990 required New York State to update its Vehicle Emissions Testing Program. There are two types of emissions inspection procedures: one for vehicles with model years 1996 and later called the On-Board Diagnostic II procedures; and another for model years prior to 1996 that are registered in the New York City metropolitan area and called the New York Transient Emission Short Test (NYTEST).

The emissions tests are carried out by private businesses that are licensed and approved by DMV. These businesses have certified inspectors who are required to take an On-Board Diagnostics exam on the Vehicle Inspection Program equipment at their place of work. Certified inspectors perform the emissions inspections and issue compliance documents stickers to the motorists upon meeting DMV regulations.

We found that most inspectors met the minimum requirements and use approved test methods and current technology to conduct emissions inspections. However, we determined that DMV needs to develop a method for monitoring the administration of the On-Board Diagnostics exams which are required to become a certified emissions inspector. We also found that DMV did not conduct all required audits of inspection

stations and did not adequately oversee the return of excess inspection stickers.

Our audit report contains six recommendations for improving DMV's vehicle emissions testing program. DMV official's generally agreed to implement our recommendations.

This report, dated October 8, 2009, is available on our website at: <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236

BACKGROUND

Amendments in 1990 to the Federal Clean Air Act (Act) required New York State to update its Vehicle Emissions Testing Program. Accordingly, the New York State Vehicle and Traffic Law, and Department of Motor Vehicles (DMV) Regulations require annual emissions inspections of all motor vehicles more than two model years old, but less than 25 years old. The emissions inspection is required to be performed at the same time as the annual safety inspection for the vehicle and whenever there is a change of vehicle ownership.

To comply with the federal Environmental Protection Agency's (EPA) regulations and improve the air quality within the State, the Department of Environmental Conservation, in conjunction with DMV, submitted a State Implementation Plan to EPA. DMV sought a single contractor to implement the revised inspection program. A contract was awarded to SGS Testcom, Inc. (Testcom) in October 2003. It required Testcom to develop a system to conduct the new emissions tests and to

transmit safety and emissions inspection test results to DMV and to DEC for program oversight and data analysis.

Inspections are conducted at inspection stations which are licensed and approved by DMV. Most stations are privately owned, located within the State, and available to the general public. Fleet owners such as utility companies, car rental companies, and government agencies operate inspection stations for their own vehicles. Nine of these fleet stations are located in other states (6 in New Jersey, 1 in Connecticut and 2 in Massachusetts). Inspection stations must have certified inspectors perform the emissions inspections and must issue inspection stickers to registrants whose vehicles comply with inspection requirements.

Each inspection station must be equipped with inspection equipment, including one or more test computers. All stations must have a NYVIP (or New York Vehicle Inspection Program) test computer, which conducts the On-Board Diagnostic procedure on model year 1996 and newer vehicles. Inspection stations in the New York Metropolitan Area (NYMA which includes New York City and the surrounding counties of Suffolk, Nassau, Westchester and Rockland must also have a NYTEST (or New York Transient Emission Short Test) computer to conduct tests on model year 1995 and older vehicles. The testing requires that the vehicle's tailpipe emissions be checked for the presence of certain gases by using a probe attached to a NYTEST test computer. The test computers communicate with the computer system maintained by Testcom.

Since September 2008, DMV has allowed some stations in the NYMA to discontinue emissions inspections of older cars due to the cost of purchasing and maintaining NYTEST equipment. These stations must have an

agreement with a nearby station which has agreed to continue to operate NYTEST equipment. This program is called the NYTEST Shared Network Program, and it required changes to DMV regulations to implement.

In November 2001, DMV implemented the Registration-Based Enforcement program in the NYMA. Under this program, a vehicle registration cannot be renewed unless DMV has a computer record that the vehicle passed the required emissions inspection or the registrant can provide evidence of the inspection. The Registration-Based Enforcement program was designed to help ensure compliance with inspection requirements and is required by the Act and regulations of the federal EPA. In September 2007, DMV expanded the Registration-Based Enforcement program to the upstate region.

The DMV's Division of Vehicle Safety and Clean Air (Division) is responsible for overseeing New York's emissions inspections program. The Division has 197 full-time employees. Some of the Division's responsibilities include audits of inspection stations, training of certified vehicle inspectors, conducting investigations on consumers' complaints against inspection stations and issuing inspection stickers. The Division's investigators also represent DMV in violation hearings.

From April 2007 through July 2008, DMV sold 10.2 million inspection stickers to various inspection facilities throughout the State to cover the estimated 10 million vehicles registered in the State that required an annual safety and emissions inspection. Revenue from the sales of inspection stickers for this time period totaled \$61.1 million.

AUDIT FINDINGS AND RECOMMENDATIONS

Certification of Inspectors

Section 304-a of the Vehicle and Traffic Law and Section 79.17 of DMV Regulations state that the minimum qualifications for certified inspectors are that they must be 17 years old and have one year experience in repairing motor vehicles immediately preceding the date of application either in a firm in the automotive industry or in an approved cooperative work study program in the automotive field, or a high school or vocational school diploma in automotive trades, or a college certification of completion of first year coursework toward an AAS degree in automotive technology.

According to DMV Regulations, a copy of the diploma or certificate must be provided if the applicant has less than one year of work experience.

DMV requires that all applicants for the OBD Emissions Exam be certified as an Inspector for the safety inspection for the class of vehicles they wish to inspect. This requires that they take classroom-based Certified Inspector classes and pass the proctored Safety Inspection Exam held at the exam site. All prospective inspectors have to submit an application that is reviewed by Division staff to ensure that all requirements are met.

Once applications are approved, applicants are allowed to take the emissions exam. DMV officials indicate that approximately 4,653 applications are received and manually processed each year. Upon passing the examination, DMV issues an Inspector Certification Card to the inspector. As of June 26, 2008, DMV had 67,894 licensed inspectors, both current and expired, in its database.

In addition to meeting these requirements, DMV requires emissions inspector applicants to take an On-Board-Diagnostics exam on the NYVIP emissions test computer at their place of work. Applicants are not sent any material from DMV and there is no classroom training provided for this exam. Instead, applicants are told they can find training material on Testcom's website, on the NYVIP computers, and on a Vehicle Inspection Program training CD available at inspection stations.

Once the On-Board Diagnostic exam is complete, the results are communicated electronically to Testcom and the applicants indicating whether they passed or failed. If they pass, inspectors are authorized to conduct the On-Board Diagnostic inspections. If they fail, they receive notice on the screen informing them of what areas they need to study to pass the exam.

To determine if licensed inspectors met the minimum requirements, we judgmentally selected 25 currently licensed inspectors and reviewed their applications. We found that 23 met the requirements to be an inspector. However, DMV approved two applications even though the applicants did not meet the one-year experience requirement and did not list any school diploma or certification on their applications. As a result, DMV is not always ensuring that applicants meet requirements.

DMV officials could not state why the two applications got through the review process, but indicated it was due to human error when handling a large volume of applications. DMV officials followed-up with the two applicants and found that, even though they did not meet the requirements when they submitted the applications, they are now qualified to be inspectors based on their work experience since that time.

We reviewed the process used for the On-Board Diagnostics exam and found DMV has no way of ensuring the integrity of the examinations. For example, the exam is self-administered at work locations throughout the State and DMV cannot verify whether the individual taking the exam is the applicant who is required to take the exam. The applicant is required to scan in his/her Inspector Certification Card to access the NYVIP machine, but once this is done, anybody can take the exam and neither DMV nor Testcom has any way of knowing who actually took the exam.

DMV officials stated that they are only required to conduct the initial training and testing, which primarily relates to safety and some emission inspection procedures. They also said that the State could not cost effectively re-certify over 20,000 inspectors statewide if the testing had to be done in a classroom setting. They indicated that the purpose of the training and testing is to ensure the inspectors have the knowledge necessary to perform the emissions inspection on the NYVIP computer. They added that if DMV were testing the inspectors to determine their ability to do emissions-related repairs, then a "hands-on" test might have been required.

We agree that re-certifying more than 20,000 inspectors in a classroom setting would have been time-consuming and costly. However, the re-certification process is completed and DMV can now re-examine the potential for improved control over the integrity of future exams. For example, perhaps DMV representatives can observe testing on a periodic basis at stations conducting exams.

Once issued, an inspection certificate can be renewed as long as the certified inspector pays the renewal fee and is employed by a station that is authorized to conduct vehicle emissions inspections. The individual does

not need to be performing emissions inspections to maintain certification. In addition, emission testing is subject to modification as a result of updates provided by Testcom about technical issues, changes to the emission inspection process and resolving matters with vehicle models that do not interface with Testcom's computer. These conditions suggest a need for required training at certain intervals for inspectors certified to perform vehicle emission testing. We recommend that the Department perform a risk assessment to determine whether such periodic training would be cost effective.

Recommendations

1. Remind supervisors to carefully review all applications to ensure they meet qualifications.
2. Re-examine the potential for improved control over the integrity of future exams.
3. Perform a risk assessment to determine whether periodic required training for certified inspectors is cost effective.

Current Technology

In October 2003, DMV contracted with Testcom to develop a computer system to conduct the updated emissions tests. We reviewed documentation relating to the awarding of this contract and spoke with DMV officials. We determined that the bidding process followed all applicable State laws. DMV officials also noted that a quality assurance process, which includes monthly meetings, was built into the contract to ensure that the Department of Environmental Conservation and DMV are aware of any problem that may hamper the emission testing process. Because vehicle manufacturing technology is always changing, these monthly quality assurance meetings address the types

of vehicles and how they communicate with the system. Testcom continuously develops its software to accommodate vehicles that do not communicate properly when hooked up to the equipment, and it develops a “work-around” so motorists will not be inconvenienced during the upgrade. The changes are transparent to the station and the motorist when the vehicle is connected to the NYVIP machine.

We also spoke with DMV officials to determine whether the technology developed for the vehicle emissions testing program was current and met the most up-to-date technology. We reviewed the inspection results that are transmitted to DMV from the inspection stations and found that data entered by the stations was in real time, enabling immediate communication between the inspection station and DMV and the vehicle inspection computer system at Testcom.

The number of pre-1996 vehicles requiring the NYTEST procedure is gradually decreasing. Therefore, DMV has developed a NYTEST Shared Network Program for inspection stations to work together in inspecting these vehicles. The NYTEST Shared Network program provides emissions inspection stations the option of voluntarily choosing to participate as a sending station or a receiving station. A sending station can fulfill its inspection responsibilities for pre-1996 vehicles by entering into an agreement with a licensed receiving inspection station, within 5 miles and 15 minutes driving time of the sending station. The program is designed to allow inspection stations that no longer wish to invest in the NYTEST technology to send their customers to other participating inspection stations in the network.

DMV Oversight

DMV is responsible for overseeing the inspection process. This is done in several ways, including audits of inspection stations and tracking inspection stickers. However, we found that DMV did not conduct all of the required audits and did not adequately follow up with those stations that did not return inspection stickers. As a result, DMV does not have accurate information on the inspection stations and cannot account for all issued inspection stickers.

Auditing

Environmental Protection Agency Regulations, Section 51.363(a), state that audits shall be conducted by DMV on a regular basis to determine whether inspectors are correctly performing all emission inspection procedures, and to review equipment and signage, among other functions relating to inspections. For example, all stations are required to display inspection fees, registration certificate and the inspection station sign in a public place. Results of audits shall be reported using either electronic or written forms to be retained in the inspector and station history files, with sufficient detail to support either an administrative or civil hearing. The State Implementation Plan for the emissions program states that DMV will complete two audits at each licensed station in the New York City metropolitan area and one audit annually at each station in the 53 upstate counties.

For calendar year 2007, there were 9,786 registered inspection stations in New York State. Of the 3,540 inspections stations in the New York City metropolitan area, 1,913 (54 percent) were audited twice, as required; 1,329 (37 percent) were audited once and 298 (9 percent) were not audited at all. For the

remaining 6,246 inspection stations location in the 53 upstate counties, 5,789 (92.7 percent) were audited once, as required, and 457 (7.3 percent) were not audited at all.

We judgmentally selected and visited 30 inspection stations; 20 in the New York City area and 10 upstate (Syracuse and Albany). However, we found that 17 stations (56 percent) had various types of violations. Six stations did not have the required signage posted; six did not return their unused inspection stickers; and five had equipment that was inoperative. DMV's records showed that all of these stations had received the required audits, but the conditions we found were not cited by the audits.

For the five stations where the equipment was inoperative, DMV officials indicated that they could not have known that the equipment was down unless it was reported to them, and the most recent audits at these stations did not indicate any problems with the equipment. Nevertheless, DMV did follow up with these stations and issued "stop notices" until the equipment was operational again.

DMV officials stated that the instances where stations did not post required signage were minor infractions. However, DMV's audits are intended to evaluate compliance with applicable laws and regulations, specifically reviewing issues such as signage. Further, DMV officials stated that, because DMV refunds a portion of the money used to purchase the stickers, six stations that did not return their stickers did not take advantage of available refunds even though they could account for all the stickers. All unused stickers are required to be returned and DMV is responsible for ensuring the stickers are returned.

We were unable to conclude whether these violations arose after the DMV audits, were

present and overlooked at the time of the DMV audit or were noted but not documented at the time of the DMV audit.

DMV officials did not provide us with the reasons why all the audits were not done as required. However, they indicated that one reason for the shortfall in the number of audits is that DMV used its Automotive Facility Inspectors on a time-consuming investigation, which made them unavailable to conduct audits. However, not auditing inspection stations increases the risk for improper inspections that result in numerous violations not being prevented or detected.

Inspection Stickers at Fee-Exempt Stations

DMV Regulations Part 79.12(e) states that inspection stations must account for all stickers that they are issued. Inspection stations must record the receipt of emissions inspection stickers immediately upon receipt by entering the sticker order into the computerized vehicle inspection system as prompted by the software so that the order received will be recorded in the analyzer system's computer. When a sticker is issued, information regarding the vehicle and vehicle owner should be entered into the system.

In addition, regulations require inspection stations to return all unused, expired inspection stickers from the previous year. All stickers damaged, stolen or unused are to be reported and accounted for by the inspection stations at the end of the year and when an inspection audit is conducted. All damaged stickers are to be maintained in a folder by the inspection station and made available for the Automotive Facility Inspector when requested as required by DMV Regulations Part 79.12(d) which states that all records be kept for two years.

DMV does not charge 144 State-run entities (i.e., State agencies and public authorities) for inspection stickers to be used on their vehicle fleets. We judgmentally selected ten of these fee-exempt entities for site visits to determine what they do with unused stickers at the end of the year. We found that nine of the ten entities kept their unused inspection stickers, and only one returned its unused stickers to DMV.

Unlike for-profit inspection stations that receive credit for returned unused stickers, fee-exempt stations have no monetary incentive to return their unused stickers. Officials from the stations indicated their confusion about how to dispose of the stickers. Some were holding onto them for years and others were destroying them at the end of the year. In addition, DMV has not emphasized the importance of the unused stickers being returned for accountability purposes. Inadequate accounting for unused supplies of inspection stickers could allow for these stickers to be inappropriately issued and/or placed on a vehicle that would not pass inspection.

Recommendations

4. Determine why audits of inspection stations are not being completed on schedule and establish a schedule for all required audits to be completed.
5. Require all violations to be documented in audit reports and take follow-up action, as appropriate.
6. Monitor State agencies and public authorities that receive free emission stickers to ensure they return the unused stickers at the end of the year.

AUDIT SCOPE AND METHODOLOGY

The objectives of our audit were to determine whether emissions inspections are conducted by certified inspectors with approved test methods and current technology, and whether DMV is overseeing the Vehicle Emissions Testing Program properly. Our audit period was from January 1, 2007 through October 15, 2008.

To accomplish our objectives, we examined applicable sections of laws, regulations and DMV policies and procedures. We interviewed officials at DMV, conducted site visits in Albany, Syracuse, Staten Island and Manhattan; and analyzed relevant information maintained by DMV.

We examined DMV's contract with Testcom and obtained the monthly quality assurance meeting reports held between the Department of Environmental Conservation, DMV and Testcom to ensure that the computer system met applicable technology requirements. To determine whether applicants met inspector requirements, we judgmentally selected a sample of 25 certified inspectors' applications and reviewed their applications. We judgmentally selected 30 stations for site visits to determine whether each station was in compliance with the emissions requirements and whether DMV was monitoring the Vehicle Emissions Testing Program properly. In addition, we judgmentally selected ten fee-exempt entities for site visits to determine what they do with unused stickers at the end of the year.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit

objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed 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.

REPORTING REQUIREMENTS

A draft copy of this report was provided to DMV officials for their review and comment. Their comments were considered in preparing this final report, and are included as Appendix A. Appendix B contains State Comptroller's Comments that address selected matters contained in DMV's response.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Motor Vehicles shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

CONTRIBUTORS TO THE REPORT

Major contributors to this report include Carmen Maldonado, Robert Mehrhoff, Joel Biederman, Alexander Marshall, Kathleen Garceau, Elizabeth Norniella, and Sue Gold.

APPENDIX A - AUDITEE RESPONSE



DAVID J. SWARTS
Commissioner

NEW YORK STATE DEPARTMENT OF MOTOR VEHICLES AUDIT SERVICES

EDWARD J. WADE
Director of Audit Services

May 26, 2009

Ms. Carmen Maldonado, Audit Director
Office of the State Comptroller
123 William Street - 21st Floor
New York, NY 10038

Re: 2008-S-47 Draft Audit Report

Dear Ms. Maldonado:

Thank you for the opportunity to respond to the draft audit report regarding the Department's Vehicle Emissions Testing Program. We have reviewed the document and have the following comments concerning the narrative and recommendations in the draft report.

Background

The first sentence of the sixth paragraph reads, "In November 2001, DMV implemented the Registration-Based Enforcement Program in New York City." The sentence should read, "In November 2001, DMV implemented the Registration-Based Enforcement Program in the New York Metropolitan Area (NYMA)."

The seventh paragraph identifies Vehicle Safety and Clean Air as a Bureau when in fact it is a Division.

Certification of Inspectors

The report states that for Certified Inspectors, once the Department approves the applications, the applicants are allowed to take the On-Board Diagnostics (OBD) Emissions Exam. We would like to point out an important step missing in the audit report. Before the applicants can take the OBD Emissions Exam, they must first be certified as an Inspector for the safety inspection for the class of vehicles they wish to inspect.

This requires that they: 1) take one of the classroom-based Certified Inspector classes; and 2) pass the proctored Safety Inspection Exam held at the class site. Once certified as an Inspector and hired at a registered repair facility, that is also licensed to perform emissions inspections, they may study the course material supplied, as stated later in the report, and then, and only then, are they authorized to take the OBD Emissions Exam.

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* See State Comptroller's Comments, page 14.

The in-class training is to ensure that the applicants have a clear understanding of how to inspect vehicles based on the New York State Inspection Regulations. We teach the proper pass/fail criteria for those items that must be checked when performing a proper inspection. Any portion of the inspection that requires a decision by the Inspector or is hands-on by the Inspector is taught in the clinic and a test is administered by DMV staff. These classes include a section on how to inspect the Emissions Control Devices (ECD) gas cap test that is part of the emissions inspection. We cover this in the safety inspection classes because it requires a hands-on approach and a decision by the Inspector during the inspection.

Conversely, the OBD emissions training that we provide as a computer-based training with an unsupervised exam, is designed to provide information on the OBD II systems and give the Inspector the information needed to understand the results of the inspection and better explain those results to the vehicle owner. The actual pass/fail calculations are performed by the New York Vehicle Inspection Program (NYVIP) unit, not the Inspector. No skill or decision making is required to carry out the OBD inspection, only the ability to answer some Yes/No questions. Therefore, we do not believe the integrity of the emissions test results or public safety are compromised by giving the exam via the computer at the inspection facility.

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We view all other automotive training as the responsibility of the inspection station that has hired the Inspector. We provide training for situations where the Inspector makes a pass/fail determination based on State law and regulation.

Finally, it should be noted that the Certified Inspector is not solely responsible for the safety and emissions inspection. It is also the responsibility of the facility to ensure that all laws and regulations are followed to ensure public safety. Under NYCRR 79.8 and 79.17, the inspection station is responsible for all inspection activities conducted at the facility.

Recommendations

1. Remind supervisors to carefully review all applications to ensure they meet qualifications.

We implemented this recommendation as soon as we became aware of the deficiency.

2. Re-examine the potential for improved control over the integrity of future exams.

As stated earlier, we believe our exam structure is sound as it is currently structured for the safety and OBD emissions exams. Because we have no way of knowing when an applicant will take the emissions exam on the NYVIP analyzer, it would be difficult, at best, to observe the applicant taking the exam. We will consider other ways to deliver the exam; however, given the current fiscal climate, we do not anticipate that we can make any changes in the near future.

3. Perform a risk assessment to determine whether periodic required training for Certified Inspectors is cost effective.

We will perform a risk assessment of Certified Inspectors performance to determine if there are true risks to the public because of inadequate training and the potential cost of providing training to address the risk.

* See State Comptroller's Comments, page 14.

Auditing

The audit states on page 6 under DMV Oversight, "...audits did not always document violations." The report goes on to say on page 6 and 7 that the auditors visited stations and found violations at those stations that were not listed on the previous audit reports. This implies that the violations were present when the Automotive Facilities Inspector (AFI) visited the facility to perform the audit and missed or did not document the violation. Unless the auditor visited the facility immediately after the AFI, it is impossible to know as a fact that a violation existed at the time of the AFI visit, and therefore it should not be stated as such.

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The audit states on page 7 under DMV Oversight "DMV officials did not provide us with the reasons why all the audits were not done as required. However, they indicated the most likely reason for the shortfall in the number of audits is that DMV used its Automotive Facility Inspectors on a time-consuming investigation, which made them unavailable to conduct audits." We disagree with this statement. We believe that we provided several possible reasons for the discrepancies when the preliminary findings were presented (this included: stations in the initial dataset that had gone out of business, stations determined not to be in the NYMA, and stations that had been in business less than a year). Further, we discussed with the auditors our proposed solutions as detailed in Recommendation 4 below.

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Recommendations

4. Determine why audits of inspection stations are not being completed on schedule and establish a schedule for all required audits to be completed.

Current staffing levels, combined with the competing demands of application investigations and consumer complaints, make achieving all required audits a challenge. Our goal is to use the staff we have as efficiently as possible. Some facilities, because of their inappropriate actions, were audited more than the required number of times, and because of the way we completed our routine audit list, these stations still appeared on the list. To this end, we have improved our audit process by the use of a new computer-generated audit form that filters out facilities that we audited during the course of a calendar year. Therefore, we will decrease duplicate audits and will use staff more efficiently. These changes will allow additional facilities to receive the required number of audits.

5. Require all violations to be documented in audit reports and take follow-up action, as appropriate.

As stated earlier, compliance at the time of an audit is no guarantee that the facility will remain compliant between audits. We document violations, and we verify compliance during every subsequent audit. We will remind AFIs of the need to document violations as required by procedure.

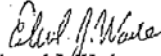
* See State Comptroller's Comments, page 14.

6. Monitor State agencies and public authorities that receive free emission stickers to ensure they return the unused stickers at the end of the year.

Earlier this year we sent a letter to all fee exempt facilities reminding them of their obligation to return all unused Inspection Certificates by March 1st. Because of the letter, we have seen a dramatic increase in the number of fee exempt facilities returning inspection stickers. Of the 144 State facilities mentioned in the audit report, 120 have complied so far this year. As a longer term solution, we are creating a routine data query to identify facilities who have not yet returned stickers as required. We will provide this information to the AFIs for their audits to draw attention to a facility's lack of compliance.

We will continue to look for improvement opportunities such as these and always welcome a chance to better serve the citizens of this State. If you have any questions concerning this matter, please contact me.

Sincerely,



Edward J. Wade
Director of Audit Services

APPENDIX B – STATE COMPTROLLER’S COMMENTS

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| <p>1. We have revised the report to reflect information in DMV’s response.</p> <p>2. DMV provides information on the process to be certified as an Inspector for the safety inspection for the class of vehicles they wish to inspect. We acknowledge DMV’s process for testing these individuals; however, the focus for this audit was the OBD Emissions Exam. We continue to believe that an unsupervised examination offers little assurance that the individual taking the examination at the inspection shop is the person DMV has licensed. DMV should consider if this is the best means available to provide training and a skills examination to new emissions inspectors.</p> | <p>3. We had already revised the number of inspection stations and audits required based on the other reasons for discrepancies which DMV provides (out of business, not in NYMA, in business less than a year).</p> |
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