

# **Metropolitan Transportation Authority – New York City Transit/MTA Bus Company**

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## **Fare Evasion**

**Report 2019-S-7 | April 2021**

**OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller**

**Division of State Government Accountability**



# Audit Highlights

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## Objectives

To determine whether New York City Transit (Transit) and the Metropolitan Transportation Authority (MTA) Bus Company (MTA Bus) reported accurate estimates of revenue losses from fare evasion to the MTA Board of Directors (Board), and whether the MTA has taken action through the Fare Enforcement and Worker Safety Program (Program) to ensure all riders pay the appropriate fare on New York City buses and subways. This audit covers the period January 1, 2017 to March 4, 2020.

## About the Program

The MTA is North America's largest transportation network, serving a population of 15.3 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. The MTA has two agencies that provide bus and subway service within New York City: Transit and MTA Bus. Transit is responsible for operating the subways and the majority of public bus service throughout New York City, and the Staten Island Railway. MTA Bus provides service throughout the Bronx, Queens, and Brooklyn and express bus routes from those boroughs to Manhattan.

The MTA has the authority to collect fares from the riding public, pursuant to the New York Codes, Rules and Regulations. Fare evaders are subject to issuance of a summons. The Transit Adjudication Bureau is an administrative tribunal established by State legislation in July 1985 to provide a forum for processing and adjudicating summonses for violations of Transit Rules of Conduct governing the public in the use of the transit system. Riders who enter the subway system or ride buses without paying the fare are subject to a \$50 or \$100 fine. However, MTA officials stated that it is not the MTA's goal to give summonses to fare evaders; rather, it is the MTA's goal to get its riders to pay the appropriate fare.

Passengers on Regular Bus Service (RBS) pay their fare on the bus. Select Bus Service (SBS) passengers pay their fare before boarding at ticket purchase machines located at SBS bus stops, except for one route in Staten Island where the fare is paid in the conventional manner. Transit's Division of Operations Planning (OP) is responsible for generating random samples of Transit RBS bus trips and subway stations for traffic checkers (checkers) to observe and record whether passengers pay their fare. Transit's Evasion and Graffiti Lawlessness Eradication (EAGLE) Teams observe SBS buses and share the fare evasion rates with OP. The results of these observations are used to determine fare evasion rates and revenue loss estimates that are reported to the Board quarterly. The MTA Bus Division of OP generates its own random samples of local MTA Bus trips for checkers to observe and use to develop fare evasion rates and revenue loss estimates.

In 2019, the MTA and the New York City Police Department (NYPD) combined their resources to introduce a task force to reduce fare evasion, increase revenue, and improve safety for MTA workers. The Fare Enforcement and Worker Protection Task Force (Task Force) is made up of the NYPD, Transit (including EAGLE Teams), MTA Bridges and Tunnels, the MTA Police Department (MTA PD), and other MTA divisions. According to the Program, these agencies were expected to deploy additional law enforcement officers to supplement the efforts of the NYPD and Transit to deter fare evasion.

## Key Findings

- MTA officials did not provide some of the Program information we requested. For example, we requested comparisons of budgeted versus actual Program costs, but officials provided only a

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summary of the actual costs. According to this summary, over \$24 million had been spent on the Program as of July 30, 2020. This includes more than \$8 million in MTA PD overtime costs, but it does not include base salary and fringe benefits. The MTA deployed 500 more officers (in addition to the 500 officers originally deployed). Therefore, the true cost of the Program is significantly understated.

- MTA officials also did not provide assurance that the Program was effective in achieving its goal of reducing fare evasion losses below 2017 levels (\$150 million). Instead, Transit estimated that it lost more than \$300 million to fare evasion in 2019. In response to this estimate, the MTA Finance Committee Chairman expressed his concern that the Program efforts were not working. He added that progress is not being made and stated that the huge increase in estimated revenue loss from fare evasion is unsustainable.
- We found that certain aspects of the Transit system contributed to increased fare evasion. For example, Transit designed several subway emergency exit doors to remain open for an extended period of time, providing an easy way for passengers to evade the fare. Also, much of the fare evasion and payment signage we saw was defaced, misleading, not prominently displayed, and/or not in the appropriate language for the neighborhood. We also found that fare evasion and payment signage was often missing, which was especially problematic for SBS, where passengers pay the fare before boarding the bus.

## Key Recommendations

- Improve the quality and content of the signage inside and outside the buses, ticket purchase machines, and in the subway stations.
- Implement sufficient control activities to ensure execution of Program initiatives by establishing, and disclosing to the Board, metrics for measuring the progress and effectiveness of the Task Force and other Program initiatives, and actions being taken to correct problems/deficiencies identified.
- Disclose pertinent details of statistical sampling methodologies and results, including confidence and precision levels, when sharing fare evasion results with the Board, the Finance Committee, and the Transit and Bus Committee.
- Continuously assess and revise as necessary the methodologies used to calculate and report fare evasion statistics.
- Include MTA Bus fare evasion results with Transit data presented to the Board.



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**Office of the State Comptroller**  
**Division of State Government Accountability**

April 15, 2021

Mr. Patrick J. Foye  
Chairman and Chief Executive Officer  
Metropolitan Transportation Authority  
2 Broadway  
New York, NY 10004

Dear Mr. Foye:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By doing so, it provides accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Fare Evasion*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Division of State Government Accountability*

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# Glossary of Terms

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Term	Description	Identifier
Board	MTA Board of Directors	<i>Key Term</i>
Checkers	Traffic Checkers	<i>Key Term</i>
EAGLE	Evasion and Graffiti Lawlessness Eradication	<i>Key Term</i>
HEET	High Entrance/Exit Turnstile	<i>Key Term</i>
MTA	Metropolitan Transportation Authority	<i>Auditee</i>
MTA Bus	MTA Bus Company	<i>Agency</i>
MTA PD	MTA Police Department	<i>Agency</i>
NYPD	New York City Police Department	<i>City Agency</i>
OMNY	One Metro New York	<i>Key Term</i>
OP	Transit's Division of Operations Planning	<i>Division</i>
Program	Fare Enforcement and Worker Safety Program	<i>Key Term</i>
RBS	Regular Bus Service	<i>Key Term</i>
SBS	Select Bus Service	<i>Key Term</i>
Task Force	Fare Enforcement and Worker Protection Task Force	<i>Key Term</i>
Transit	New York City Transit	<i>Agency</i>

# Background

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The Metropolitan Transportation Authority (MTA) is North America's largest transportation network, serving a population of 15.3 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. The MTA has two agencies that provide bus and subway service: New York City Transit (Transit) and MTA Bus Company (MTA Bus). Transit operates the subways and the majority of bus service throughout New York City, and the Staten Island Railway. MTA Bus provides service in the Bronx, Queens, and Brooklyn and express bus routes from those boroughs to Manhattan.

The MTA has the authority to collect fares from the riding public pursuant to the New York Codes, Rules and Regulations, which state, in part, that "No person shall use or enter upon the facilities or conveyances of the authority, for any purpose, without the payment of the fare or tender of other valid fare media used in accordance with any imposed conditions and restrictions imposed by the authority."

Regular Bus Service (RBS) passengers pay the fare on the bus. Select Bus Service (SBS) requires riders to pay the fare before boarding at ticket purchase machines located at SBS bus stops. Transit's Division of Operations Planning (OP) generates random samples of local Transit RBS trips and subway stations for traffic checkers (checkers) to observe and record whether individuals pay their fare. The results are used to determine the fare evasion rates and estimated revenue loss reported to the MTA Board of Directors (Board) quarterly. Transit's Evasion and Graffiti Lawlessness Eradication (EAGLE) Teams check SBS buses by requesting passengers show the tickets issued when they paid the fare. The results of these checks are reported to Transit OP. MTA Bus's Division of Operations Planning generates separate random samples of local trips for checkers to observe whether passengers pay their fare. The results are used to determine the fare evasion rates and estimate revenue loss for MTA Bus.

Fare evaders are subject to issuance of a summons. The Transit Adjudication Bureau is an administrative tribunal established by State legislation in July 1985 to provide a forum for processing and adjudicating summonses for violations of Transit Rules of Conduct governing the public in the use of the transit system. Riders who enter the subway system or ride buses without paying the fare are subject to a \$50 or \$100 fine. In addition to issuing a summons for subway fare evasion in violation of the New York Codes, Rules and Regulations, a peace officer can charge a fare evader with Theft of Services, a violation of New York State Penal Law. However, MTA officials stated that it is not the MTA's goal to give summonses to fare evaders or charge them with crimes; rather, it is the MTA's goal to get its riders to pay the appropriate fare.

Transit has observed an increase in fare enforcement challenges and revenue losses over the past several years. At the April 15, 2019 MTA Finance Committee meeting, MTA officials reported to the Board that the estimated revenue loss from fare evasion in 2018 was \$225 million (\$97 million from subway and \$128 million from bus), an increase of \$120 million over 2015. The MTA increased fare evasion loss estimates at the February 26, 2020 Board meeting to approximately \$300 million per year.

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In 2019, the MTA and the New York City Police Department (NYPD) combined their resources to introduce a task force to reduce fare evasion, increase revenue, and improve safety for MTA workers. The Fare Enforcement and Worker Protection Task Force (Task Force) is made up of the NYPD, Transit (including EAGLE Teams), MTA Bridges and Tunnels, the MTA Police Department (MTA PD), and other MTA divisions. According to the Fare Enforcement and Worker Safety Program (Program), these agencies were expected to deploy additional law enforcement officers to supplement the efforts of the NYPD and Transit to deter fare evasion. The Program called for other actions, such as achieving effective fare evasion that reduces fare loss below 2017 levels (approximately \$150 million, consisting of \$52 million from subway and \$98 million from bus), developing a public messaging plan, and submitting a budget for equipping and operating the Task Force.

In a June 17, 2019 press release, the MTA announced that the New York County District Attorney would provide \$40 million over four years to fund associated costs of Program personnel and provide construction modifications and new video technology to target station locations. At the November 12, 2019 MTA Finance Committee meeting, an MTA official reported that the deployment of more than 500 officers to support fare enforcement was completed on August 5, 2019, including to bus routes and in subways. The official added that enforcement has been focused on the top 50 subway stations and the top 50 bus routes that show the highest levels of fare evasion.

# Audit Findings and Recommendations

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MTA employees are required to ensure that the MTA's accounting and financial records meet the highest standards of accuracy and completeness. Also, reporting accurate and complete information about the MTA's financial condition is an essential responsibility of all MTA employees. However, MTA officials did not provide assurance that the fare evasion revenue loss estimates provided to the Board were accurate. In addition, the Program did not achieve the goal of reducing fare loss to below 2017 levels of approximately \$150 million. Instead, fare evasion estimated losses grew to \$300 million. Program officials also did not formally assess the procedures and effectiveness of the deployed Task Force.

## **Actions to Ensure Riders Pay the Appropriate Fare Fare Enforcement and Worker Safety Program**

The goals of the Task Force were to enhance worker protection and achieve effective fare evasion deterrence that reduces fare revenue loss below 2017 levels (approximately \$150 million, consisting of \$52 million from subway and \$98 million from bus). Further, the Program called for the MTA to assess the procedures and effectiveness of its deployed Task Force and use this assessment to retool the Program to maximize effectiveness while minimizing the use of resources (manpower, equipment, time, and money).

MTA officials did not provide assurance that the Program was effective in achieving its goal of reducing fare evasion losses below 2017 levels (\$150 million). Instead, Transit estimated that it lost more than \$300 million to fare evasion in 2019.

In addition, MTA officials did not provide some of the Program information we requested. For example, we requested comparisons of budgeted versus actual Program costs, but officials provided only a summary of the actual costs. According to this summary, over \$24 million had been spent on the Program as of July 30, 2020. This included more than \$8 million in MTA PD overtime costs, but did not include base salary and fringe benefits. Officials stated that the MTA does not allocate base salary and fringe benefits to the Program. Officials further stated that the MTA deployed 500 more officers (in addition to the 500 officers originally deployed), including 140 new hires, to work on Program efforts. Therefore, we noted that the true cost of the Program is significantly understated.

We also found that important aspects of the program were delayed or not implemented. For example, the MTA did not install 740 surveillance cameras at 50 designated stations by the targeted date. In addition, MTA officials stated that they did not add any new EAGLE Team members; they merely transferred existing inspectors from SBS patrol to RBS patrol.

MTA officials stated that the Task Force conducts monthly meetings (suspended during the COVID-19 pandemic) to evaluate progress on Program initiatives and determine adjustments to the Program. They added that corrective actions are applied and monitored. We requested minutes of all Task Force monthly meetings and any associated evaluations and corrective action plans; however, MTA officials

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stated that minutes were not kept for these meetings, and did not provide any associated corrective action plans.

Transit's August 2019 12-month fare evasion revenue loss estimate of \$303 million (\$119 million for subway and \$184 million for bus) exceeded the 2018 revenue loss estimate of \$225 million (\$97 million for subway and \$128 million for bus) reported to the Board at the April 15, 2019 MTA Finance Committee meeting. The \$78 million increase prompted Board members to question the effectiveness of the Task Force. At the November 12, 2019 MTA Finance Committee meeting, the Committee Chairman expressed his concern that all the Program efforts were not working. He added that progress was not being made and stated that the huge increase in estimated revenue loss from fare evasion was unsustainable. MTA officials stated that they made progress since the Task Force was deployed in the second half of 2019; however, Transit reported only a 2 percent reduction in fare evasion losses in the second half of 2019 when compared to the first half (\$154 million and \$151 million in fare evasion losses in the first and second half of 2019, respectively). SBS and subway fare evasion rates increased in the second half of 2019, and although RBS rates improved, Transit estimated that one in every five bus riders evaded the fare in the second half of 2019.

## **Actions of MTA Personnel and Law Enforcement Officers**

MTA has the authority to collect fares from the riding public. All Transit employees are entitled to free transportation on the services of their direct employer (i.e., Transit employees may ride for free only on local Transit buses). Employees must swipe their identification passes at subway station turnstiles and insert their passes into bus fare boxes.

The Transit Student Bus Operator Instruction Manual instructs bus operators to take certain measures to prevent riders from boarding buses through rear doors and evading fares. According to the NYC Department of Education's school transportation eligibility rules, New York City students (grades Kindergarten through 12) who live at least half a mile from their school are eligible for full-fare MetroCards with three free rides per day.

We conducted observations at 93 bus stops (including 25 SBS bus stops) and 42 subway entrances, and rode 68 RBS trips in August and September 2019 and February and March 2020. During these trips, we found that MTA employees and NYPD officers did not always take the measures specified by the agency to deter fare evasion. For example:

- 13 RBS MTA Bus operators did not state the fare during instances of fare evasion. Further, an RBS bus operator did not inform an MTA worker of the requirement to insert his identification pass after the worker did not do so. We also observed two RBS MTA Bus operators opening the rear doors for long periods of time, which enabled seven passengers to easily board the bus without paying the fare.



**Figure 1:** Passengers boarding the bus from the middle and rear doors at the first stop of a route.

■ 31 RBS Transit bus operators took other action that was inconsistent with the guidance the agency provided. For example, a bus operator opened all three doors for passengers to board the bus at the first stop of a bus route. Several passengers, who appeared to be students, boarded the bus from the middle and rear doors (see Figure 1) and did not insert their MetroCards. Therefore, any students who were not eligible for the free ride evaded the fare. In addition, eligible students were able to ride for free without the trip counting toward their three-trip allowance. We also observed 34 adults evade the fare on the same bus. Twenty-two of these passengers boarded the bus

from the middle and rear doors and did not walk to the front of the bus to pay. The other 12 passengers evaded the fare through the front of the bus by simply bypassing the fare box. The bus operator did not state the fare to the passengers who evaded the fare. During a different bus trip, we observed a bus operator open all rear doors at every stop along the route, even when passengers did not request to get off the bus. During this trip, we observed 14 fare evaders board the bus from the rear doors.

Thirty-six passengers at eight SBS bus stops attempted to pay the fare on board. SBS bus operators notified 18 of these passengers that they needed to pay the fare before boarding the bus, but did not share this information with the remaining 18 passengers. Further, the bus operators waved 16 of the remaining 18 passengers to continue forward onto the bus.

Moreover, EAGLE Team inspectors at one SBS bus stop issued summonses to only two of the 13 (15.38 percent) fare evaders they identified. The 11 fare evaders not issued a summons were given a warning instead. Inspectors stated that they gave warnings for various reasons; however, the EAGLE Team Standard Operating Procedures Manual does not list any of those situations as reasons why inspectors may use operational discretion in issuing summonses. We noted that inspectors for other EAGLE Teams did not issue warnings to the same extent. For instance, we observed inspectors from a different EAGLE Team issue summonses to all 10 fare evaders they identified at another SBS bus stop. If the agency wishes to provide discretion over the issuance of summonses, the criteria should be documented in the manual and applied consistently and equitably. Further, the inspectors we observed did not instruct all individuals who were issued summonses or warnings to pay the

fare after they were identified as fare evaders. In addition, we reviewed EAGLE Team memo books and found that warnings were often not documented. When warnings were documented in memo books, we often found that the reasons for giving the warnings were not appropriate (e.g., based on the individual's occupation) or were not recorded.

MTA personnel at 15 subway entrances did not swipe their identification passes at turnstiles to gain entry. Instead, they used their keys to open emergency exit doors or simply flashed a pass at a station booth agent who activated the emergency exit door, which enabled others to evade the fare. We observed 22 passengers evade the fare at six of these entrances by entering the subway system through the emergency exit doors opened by MTA personnel. A sign on the emergency exit doors clearly states "All Employees Must Swipe" (see Figure 2).



Figure 2: Sign on emergency exit doors stating "All Employees Must Swipe."

NYPD officers witnessed three passengers evade the fare at three entrances. The officers issued verbal warnings to two of these fare evaders, but instructed only one of the two to swipe their MetroCard. For the third fare evader, officers did not take any action. Further, NYPD officers at five entrances directed nine passengers to enter the subway through the emergency exit doors. The passengers claimed they did not have a MetroCard or had insufficient fare. At one of the five entrances, an officer swiped a MetroCard to give two passengers access to the subway.

MTA officials provided a summons activity report that showed that MTA PD officers issued 36,675 warnings (verbal compliance) and 1,514 summonses to fare evaders from June 2019 to July 2020. Officials stated that it is not the MTA's goal to give summonses to fare evaders; rather, it is MTA's goal to get its riders to pay the appropriate fare. However, as noted above, we observed that officers did not always require evaders to pay the fare.

MTA officials pointed out that the organization disseminated permanent bulletins, procedure manuals, and other materials that detail many of the rules and regulations; however, many of the MTA employees we observed did not follow them. Additionally,

the high frequency of employee non-compliance demonstrates that the MTA did not have adequate controls in place to ensure these rules and regulations were followed or to assess and address the root cause of staff non-compliance.

## Fare Evasion Signage

During our bus and subway observations, we also checked for the presence, content, and condition of fare evasion and payment signage. Much of the fare evasion and payment signage we saw was defaced, misleading, not prominently displayed, and/or not in the appropriate language for the neighborhood. We also found that fare evasion and payment signage was often missing, which was especially problematic for SBS, where passengers must pay the fare before boarding the bus. For example, we observed the following:

- There was no fare evasion signage at any SBS bus stop or on the exterior of any SBS bus. Further, fare payment signage at 16 SBS bus stops was defaced, misleading, or missing (see Figure 3). The damage to signage at seven of these bus stops caused the statements to be illegible (see Figure 4). Signage at SBS bus stops and on the exterior of buses often contained statements that could cause passengers to conclude they could pay the fare on board. For example, the exterior of four buses had signage depicting the fare box payment method (see Figure 5). In addition, 14 SBS bus stops contained statements in only two languages: English and Spanish. For instance, we noted that the signage on a bus stop in Manhattan's Chinatown had statements written only in English and Spanish. MTA officials stated that they will change machine payment instructional signage to include all Title VI languages. We also observed instances of passengers showing signs of frustration after learning



**Figure 3:** SBS bus stop signage that was intact (left) and removed (right).

that ticket purchase machines were out of order. In these instances, the MTA requires passengers to purchase the ticket at a machine at the destination stop, but these instructions were not displayed anywhere.

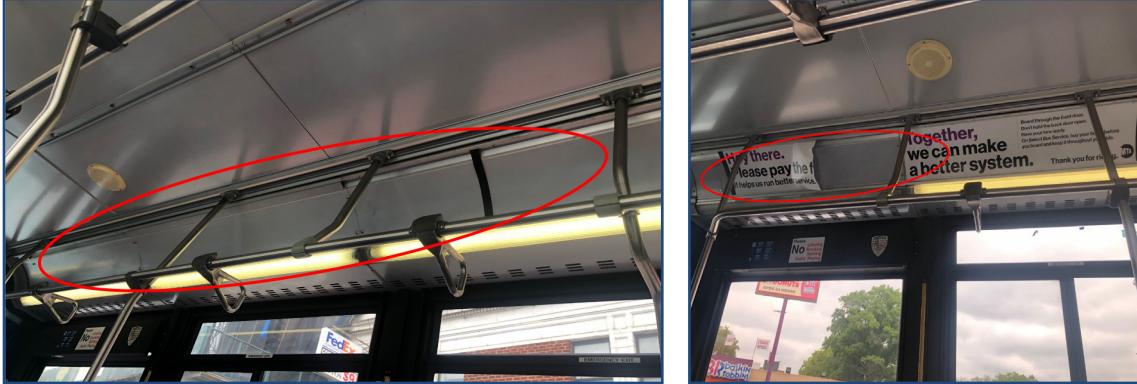


**Figure 4:** Damaged SBS bus stop signage with illegible statements.

**Figure 5:** SBS bus signage that depicts the on-board fare box payment method.



- There was no fare evasion signage at any RBS bus stop. We observed that 60 of the 68 local buses we rode did not have fare evasion signage on the boarding side of the bus. The remaining eight buses that had signage on the boarding side were located in Staten Island. Further, 17 of the 68 RBS buses we rode did not have fare evasion signage inside the bus. Fare evasion signage inside 25 of the remaining 51 buses did not state that evading the fare is punishable by a fine. Further, fare evasion signage inside 11 buses was damaged, causing the statements to be incomplete and/or illegible (see Figure 6).



**Figure 6:** Missing fare evasion signage (left) and damaged fare evasion signage (right).

- There was no fare evasion signage at any turnstiles or on any MetroCard vending machines at the 42 subway entrances we observed. Further, emergency exit doors at 19 of these entrances did not contain fare evasion signage, including signage warning passengers that evading the fare is punishable by fine. Signage warning passengers about the fare evasion fine was present only at subway entrances with a station booth. All 20 subway entrances that did not have a station booth did not have signage warning passengers about the fare evasion fine. Fourteen of these entrances had traditional waist-high turnstiles and the other six had only High Entrance/Exit Turnstiles (HEET). At the 22 entrances with a station booth, statements posted about the fare evasion fine were in small print and not very noticeable (see Figure 7), especially for passengers who do not approach the booth.

Inadequate signage can leave passengers unaware of fare payment rules and fare evasion consequences, resulting in significant fare non-payment and revenue loss. MTA officials provided us with a Q44 SBS brochure, which they said was issued when the SBS line was launched. The brochure provides instructions, in both English and Chinese, stating that riders must pay before boarding the bus and that riders without a valid ticket could be subject to a \$100 summons. However, educating riders with a brochure when new SBS lines are launched is not a sustained effort to ensure riders are familiar with the SBS fare payment system and are aware of the consequences for not paying the fare.

MTA officials also provided a fare decal used for Staten Island express buses equipped with One Metro New York (OMNY), the MTA's new contactless fare payment system. The decal includes fare evasion fine messaging and OMNY payment instructions, which state that no bills or coins are accepted. Officials stated



**Figure 7:** Small fare evasion fine signage located at a station with a booth.

that the OMNY program is a phased rollout and installation will be complete for all bus routes by the end of 2020.

## SBS Fare Payment Options

We found that the SBS fare payment system has limitations that may prevent and/or discourage riders from paying the appropriate fare. For example, passengers cannot use bills or credit/debit cards to purchase SBS tickets. Machines either accept MetroCards (including transfers and single-ride tickets) or coins. This places a significant restriction on purchasing SBS tickets, especially for those who are unaware of the limited payment options. Further, some of the SBS bus stops we visited had only one ticket purchase machine that accepted coins. Therefore, MetroCard is the only payment option if the one ticket purchase machine that accepts coins is out of service. Officials stated that when the OMNY program is rolled out, SBS fares will eventually be paid on the bus. MTA is advertising OMNY as a fast and convenient way to pay the fare. However, it could make fare payment more difficult for those who typically pay with cash or do not have access to or are not able to use the contactless payment technology (e.g., digital wallet on smart phone or wearable device).

In addition, there were no ticket purchase machines at two of the bus stops we visited (see Figure 8). When asked how to pay the fare, bus operators provided different answers. Two bus operators gave instructions to simply board the bus (without paying) because it was almost the last stop. Other bus operators offered solutions such as purchasing a ticket at a machine on the opposite side of the street or upon exiting the bus.



Figure 8: An SBS stop with no ticket purchase machines.

MTA officials indicated that SBS ticket machines mimic fare payment on local buses, which also do not accept bills or credit/debit cards. However, we noted that the SBS ticket purchasing method more closely resembles that of the subway, where the MetroCard vending machines have cash and credit/debit card payment options.

In addition, officials stated that customers may board without paying at SBS bus stops that do not have ticket purchase machines. They added that the low boarding activity at these stops does not merit the cost of installing such machines. We noted that the MTA did not utilize the fare payment method used in Staten Island, which allows customers to pay on the bus.

## Subway Emergency Exits and Turnstiles

We found that Transit designed emergency exit doors to remain open for an extended period of time, which provided individuals with much more time to enter the subway system without paying the fare. For example, during our observations, we saw that emergency exit doors at six subway entrances remained open for more than 20 seconds after passengers pushed them open all the way. This occurred several times, as passengers leaving the station were constantly pushing the doors wide open to exit (see Figure 9).

We also observed 11 passengers (nine of whom were construction contractors) at two subway entrances reach over turnstiles or around gates to open emergency exit doors from the opposite side (see Figure 10). In addition, we observed three construction contractors successfully open the emergency exit door with keys. Other passengers evaded the fare after the emergency exit doors were opened. Emergency exit doors installed within reaching distance of turnstiles and other areas with limited barriers can create opportunities for passengers to open these doors.

Further, NYC subway turnstiles either have a traditional waist-high turnstile arm (see Figure 11) that rotates after payment of the fare, or a HEET (see Figure 12), which acts as a revolving door. Although a rider may evade the fare through a HEET, traditional waist-high turnstiles offer more methods to evade the fare.

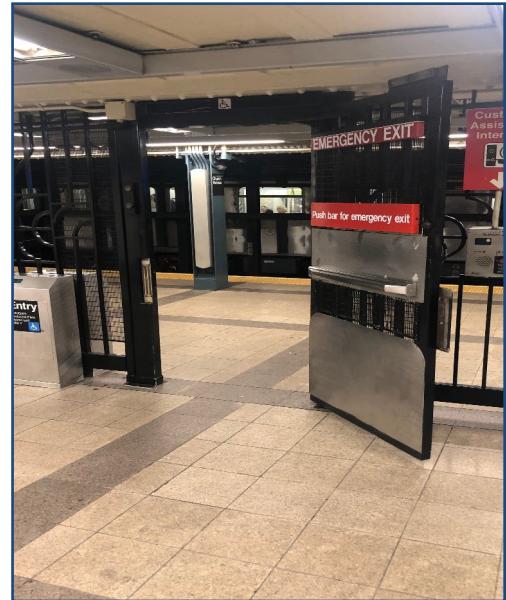


Figure 9: Emergency exit door remaining wide open.

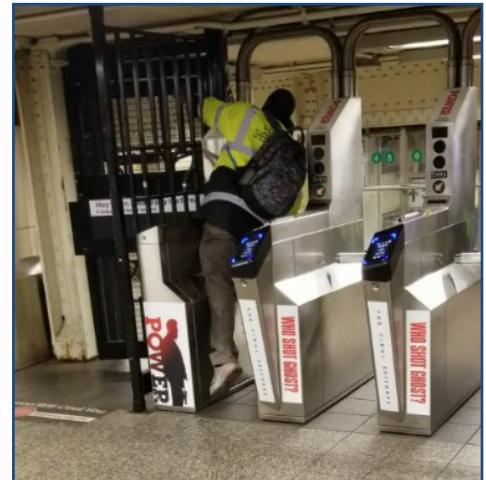


Figure 10: Passenger reaching over turnstile to open emergency exit door.



**Figure 11:** Waist-high turnstiles.



**Figure 12:** High Entrance/Exit Turnstile.

## Recommendations

### To Transit and MTA Bus:

- 1.** Instruct/remind bus operators that they should follow MTA program guidance to minimize fare evasion, including, but not limited to:
  - Informing students that they must insert their MetroCards.
  - Informing SBS fare evaders and those who are unfamiliar with the SBS payment process that they are required to pay the fare at bus stop ticket purchase machines before boarding.
  - Not waving passengers who have not paid the fare onto the bus.
  - Opening only the middle and rear doors if a passenger requests a stop.
- 2.** Ensure that key areas of bus stops and buses contain fare evasion and payment signage that is clearly visible and well-maintained. Signage should include instructions for purchasing a ticket when machines are out of order

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and notification that fare evaders are subject to a fine.

3. Ensure that appropriate languages for the neighborhoods are used for SBS bus stop signage.
4. Enhance fare payment/ticket purchasing capabilities, including, but not limited to:
  - Ensuring all ticket purchase machines accept cash and credit/debit cards.
  - Ensuring that all SBS bus stops have ticket purchase machines if the buses are not equipped with a fare box or OMNY.
  - Developing and implementing mechanisms for cash-paying customers to pay the fare on buses equipped with OMNY.
5. Remind MTA personnel to swipe their identification passes and utilize turnstiles when entering the subway system, unless there is a valid reason to use emergency exit doors.
6. Ensure that key areas of subway stations contain fare evasion signage that is clearly visible and well-maintained.
7. Instruct EAGLE Team inspectors to tell fare evaders to pay the fare they evaded, even if they have been issued a warning for the offense.
8. Instruct EAGLE Team inspectors to issue fare evaders warnings only for reasons specified in the EAGLE Team Standard Operating Procedures Manual.
9. Ensure that fare enforcement practices are consistent among different EAGLE Teams.
10. Create a uniform template that can be used to record the details of each EAGLE Team inspector's fare evasion counts.
11. Re-evaluate mechanical design and positioning plans of subway entrances and exits, and make changes as warranted.
12. Evaluate the impact of operating subway station entrances without the presence of MTA personnel or HEET-only entrances. Perform and document a cost-benefit analysis to decide whether station booths and HEETs should be constructed at these entrances.

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## Accuracy of Fare Evasion Statistics

### Communication With the Board

When sample results are reported, the sample methodology is often disclosed. This is because users of statistical sample projections generally use the methodology to properly evaluate the results. For example, pollsters often state pertinent poll characteristics, such as a confidence level of 95 percent and an error rate of plus or minus 3 percent, which tells the user that the true result of the sample lies between two values determined when the sampling error is applied. However, Transit only disclosed the point estimates (the results of the sample and not the range) for 2017 and 2018 of \$167 million and \$225 million, respectively. According to OP officials, they did not share confidence levels or error rates with the Board in 2017 and 2018. The April 2020 Finance Committee report shows that the subway and bus (local and SBS) fare evasion rates for the fourth quarter of 2019 increased and decreased, respectively. Due to the impact of COVID-19 on ridership starting in March 2020, a comparison with the prior year was not relevant.

We also note that, during the March 25, 2020 MTA Finance Committee meeting, the Chairman indicated he has not had confidence in the fare evasion numbers reported to the Board for more than a year, noting the dramatic changes in revenue loss estimates. The Chairman also noted that, in conjunction with the MTA Office of the Inspector General, it was determined that the fare evasion sampling methodology and the method of observing fare evasion were flawed. The Board relied on information reported by the MTA Finance Committee and Transit and Bus Committee that did not fully disclose the fare evasion statistics.

For instance, MTA Bus also did not report its 2017 and 2018 fare evasion revenue loss estimates of \$21.97 million to the Board. Therefore, the Board did not have complete data to prepare for the impact on the MTA budget, and for making decisions to properly address the decline in revenue. Although MTA officials indicated that, starting July 1, 2019, their data collection methodology changed (to ensure a comprehensive report of bus fare evasion) and would be shared with the Board, this did not happen. Officials indicated that the March 2020 COVID-19 pandemic interrupted plans to report MTA Bus fare evasion rates to the Board.

### Sample Selection and Completion

OP generates samples of local Transit RBS bus trips and subway station entrances, where traffic checkers observe legal and illegal entries to determine fare evasion rates. Checkers observe subway entrances or ride buses to count instances of fare evasion, broken down by fare evasion method (e.g., turnstile jumping, going under the turnstiles, entering through rear bus door). The fare evasion rates are calculated based on the results of these checks, along with MetroCard data and other observations of transportation system entries.

We found that Transit officials did not take appropriate steps to maintain the

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randomness of their sample selection, further reducing the probability that the sample and the sample results were representative of the total population. For example, many of the bus samples selected were not completed. Data provided by OP shows that only 37 percent of the samples selected were completed for 2018. Checkers completed less than 50 percent of the 2018 samples selected for 132 of 193 routes and did not complete any of the samples selected for 15 routes. In part, this was due to a lack of staffing, as there were seven bus checkers for 2018. Similarly, many of the subway samples selected were not completed/surveyed, causing the frequency of surveys conducted at the selected entrances to be inconsistent. OP officials recognized that completing more of the sample is preferable and stated that they made several changes to improve both the sample completion rate and data quality in 2019.

Officials added that they have worked with an expert from Columbia University to improve the sampling methodology, which includes increasing the number of checkers conducting surveys and reducing the amount of information that needs to be documented on surveys. In July 2020, the MTA Inspector General issued its report, which included a description of the new methodologies that will be used to collect data to calculate the fare evasion rate. For subways, the report states the new methodology will not work for short periods of time and that the surveys will have to cover a period of years. However, for buses, the method will work for shorter periods of time. All the plans are delayed until ridership is closer to pre-COVID-19 levels. Notwithstanding COVID-19 impact, the MTA does not have a timely solution to address fare evasion.

## Recommendations

### To Transit:

- 13.** Disclose pertinent details of statistical sampling methodologies and results, including confidence and precision levels, when sharing fare evasion results with the Board.
- 14.** Continuously assess and revise as necessary the methodologies used to calculate and report fare evasion statistics.

### To MTA:

- 15.** Implement a methodology that includes MTA Bus fare evasion data with Transit bus rates to ensure the Board has complete fare evasion data.
- 16.** Implement sufficient control activities to ensure implementation/execution of Program initiatives, including, but not limited to:
  - Establishing and disclosing to the Board metrics on evaluating the progress and effectiveness of the Task Force and other Program initiatives.

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- Evaluating and documenting Program effectiveness and taking action to correct problems/deficiencies identified.

**17.** Remind NYPD and MTA PD officers to instruct passengers to pay the fare.

**To MTA Chief Operating Officer:**

- 18.** Ensure that information reported by the MTA Finance Committee and Transit and Bus Committee is accurate and discloses pertinent fare evasion sample details, and take action where sampling deficiencies exist.
- 19.** Establish a plan to genuinely monitor the implementation and evaluation of Task Force/Program initiatives to ensure fare evasion methodologies are valid and the Program is effective.

# Audit Scope, Objectives, and Methodology

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Our audit examined whether Transit and MTA Bus reported accurate estimates of revenue losses from fare evasion to the Board, and whether the MTA has taken action through the Program to ensure all riders pay the appropriate fare on New York City buses and subways. This audit covers the period January 1, 2017 to March 4, 2020.

To accomplish our objectives and evaluate related internal controls, we performed tests to determine the accuracy of Transit and MTA Bus fare evasion statistics. We evaluated the randomness of Transit's sample selections, rate of survey completion, precision of sample estimates, accuracy of sample reporting, and other aspects of OP's fare evasion rate calculation and reporting process. We interviewed management and staff from Transit and MTA Bus and reviewed records provided to support the fare evasion statistics. We selected judgmental samples of bus stops, buses, and subway stations where we observed fare evasion signage, passenger activities, MTA personnel and law enforcement officer actions, and other aspects of the Transit and MTA Bus transportation system. To select our samples from 763 subway station entrances and 253 RBS and SBS bus routes, we considered various factors such as borough and fare evasion rate. Our samples were not designed to be projected to the entire population. We reviewed applicable sections of New York Codes, Rules and Regulations; bus operator and EAGLE Team manuals and Permanent Bulletins; EAGLE Team activity logs, summons records, and memo books; NYC Department of Education school transportation eligibility rules; Transit and MTA Bus sampling methodologies; Program plans; and Board and Committee meeting minutes and materials. We also evaluated the Program/Task Force's progress and effectiveness.

# Statutory Requirements

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## Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

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 management functions do not affect our ability to conduct independent audits of program performance.

## Reporting Requirements

We provided draft copies of this report to MTA officials for their review and formal comment. We considered their comments in preparing the final report, and they are attached in their entirety at the end of this report.

MTA officials agreed with 12 of the 19 recommendations, indicating corrective action was taken or is planned. They added that recommendations 7 and 8 could not be implemented because the EAGLE team inspectors cannot compel fare evaders to pay their fare. However, that was not the intent of our recommendation. Rather, our focus was to ensure consistency in how riders are treated. The response also states that recommendations to expand the payment methods for SBS buses will not be implemented due to the introduction of OMNY on buses and subway stations. However, OMNY may not be a better system for all customers because there are individuals who do not have access to the payment methods such as a credit card, cell phone with the app, or watch that can be used with the system. Those individuals will have to find retail locations to purchase contactless payment cards. Information available on the website indicates that cards will be available in vending machines at subway stations in the future, but there is no mention of what options will be available for those who ride the bus.

Within 180 days of the final release of this report, as required by Section 170 of the Executive Law, the Chairman of the Metropolitan Transportation Authority shall report

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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 the recommendations were not implemented, the reasons why.

# Agency Comments and State Comptroller's Comments

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2 Broadway  
New York, NY 10004  
212 878-7000 Tel

**Patrick J. Foye**  
Chairman and Chief Executive Officer



**Metropolitan Transportation Authority**  
State of New York

February 4, 2021

Ms. Carmen Maldonado  
Audit Director  
The Office of the State Comptroller  
Division of State Government Accountability  
59 Maiden Lane, 21<sup>st</sup> Floor  
New York, NY 10038

**Re: Draft Report #2019-S-7 (Fare Evasion)**

Dear Ms. Maldonado:

This is in reply to your letter requesting a response to the above-referenced draft report.

I have attached for your information the comments of Patrick Warren, MTA Chief Safety Officer and Acting Chief Operating Officer, NYC Transit, which address this report.

Additionally, I will be working with staff to ensure that management is following up on and enforcing the audit's recommendations, where appropriate, and requesting regular, interim reports to that effect.

Sincerely,

A handwritten signature in black ink that reads "Pat Foye".

Patrick J. Foye  
Chairman and Chief Executive Officer

c: Anni Zhu, MTA Chief of Staff to the MTA Chairman & Chief Executive Officer  
Michele Woods, Auditor General, MTA Audit Services

*The agencies of the MTA*

MTA New York City Transit  
MTA Long Island Rail Road

MTA Metro-North Railroad  
MTA Bridges and Tunnels

MTA Construction & Development  
MTA Bus Company

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# Memorandum



New York City Transit

**Date** February 3, 2021

**To** Patrick Foye, Chairman, MTA

**From** Patrick Warren, MTA Chief Safety Officer and Acting COO, NYCT

**Re** New York State Comptroller Report #2019-S-7 Fare Evasion

This information is provided in response to the State Comptroller's draft audit report on Fare Evasion (2019-S-7). The stated purpose of this follow-up audit was to assess the accuracy of New York City Transit (NYCT) estimates of revenue losses from fare evasion as they are reported to the MTA Board of Directors, and whether the MTA has taken action through the Fare Enforcement and Worker Safety Program (Program) to ensure riders pay the appropriate fare on New York City buses and Subways. The audit covered the period January 1, 2017 to March 23, 2020.

*Recommendation 1: Instruct bus operators that they should follow MTA program guidance to minimize fare evasion, including (a) informing students that they must insert their MetroCard's, (b) informing SBS fare evaders that they are required to pay the fare at bus stop ticket purchase machines before boarding, (c) not waving passengers who have not paid the fare onto the bus, and (d) only opening the middle and rear doors if a passenger requests a stop.*

Agency Response: NYCT agrees with this recommendation and incorporates its tenets into its existing NYCT practices. Instructions are included in initial and refresher training for Bus Operators. Their interaction with customers in "non-payment" scenarios is governed by Permanent Bulletins #05.19.06 "Key 5" Program for Recording of Fare Abuse (applicable to Local and Express Buses only) and #03.60.08 Select Bus Service (SBS) Operating Procedures and Fare Regulations. It includes a script that Bus Operators should use with the goal of not escalating incidents between operators and customers as a primary focus (See Attachments 1 and 2).

*Recommendation 2: Ensure that key areas of bus stops and buses contain fare evasion and payment signage that is clearly visible and well-maintained. Signage should include instructions for purchasing a ticket when machines are out of order and notification that fare evaders are subject to a fine.*

Agency Response: NYCT agrees with this recommendation. Newly updated bus exterior decals with fare and fine information were developed and applied to the fleet in conjunction

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with the new One Metro New York (OMNY) payment system rollout completed in December 2020. A new, multilingual poster to be installed in the majority of bus stop Guide-A-Rides (GARs), affixed to bus stop poles, is in development and includes fare and fine information. Some 11,000 of our approximately 16,000 bus stops serve one route; the GARs at these stops have the space to accommodate this messaging. As previously noted in our response (December 2019) to the SBS fare evasion audit, our Eagle team posts signage that informs customers to purchase their ticket at their destination when machines are out of service; this poster will be redesigned to include all Title VI languages.

*Recommendation 3: Ensure that appropriate languages for the neighborhoods are used for SBS bus stop signage.*

Agency Response: NYCT agrees with the recommendation. We will change machine payment instructional signage to include all Title VI languages: Spanish, Chinese, Korean, Russian and Creole. Our agency is currently assessing whether Bengali should be added to future translations in accordance with Title VI compliance. Machine signage may be updated again, once a determination has been made on Bengali translations.

*Recommendation 4: Enhance fare payment purchasing capabilities, including (a) ensuring all ticket machines accept cash and credit/debit cards, (b) ensuring that all SBS bus stops have ticket purchase machines if the buses are not equipped with a fare box or OMNY.*

Agency Response: NYCT understands the intent of this recommendation but cannot implement it as described. The requirements of this recommendation are infeasible due to the excessive costs that will be incurred and made unnecessary due to the introduction of the new OMNY payment system.

(a) The MetroCard Fare Collector and Coin Fare Collector machines mimic fare payment on local buses, which also do not accept bills or credit/debit cards. Therefore, a customer on SBS has the same payment options as on any local bus. In the spirit of this recommendation to further improve fare payment purchasing capabilities, and as detailed in the response to recommendation #5, when OMNY is fully deployed in our system, customers will be able to use contactless, bank-issued payment cards, smart devices, and the OMNY system's own contactless physical card and virtual card.

(b) There are some SBS stops approaching the end of the route where we do not install fare machines because the very low boarding activity at those stops does not merit the cost (about \$80K in materials and labor per fare machine) of installing such machines. At these locations, customers may board without paying. As previously mentioned, the OMNY program rollout will be complete on all bus routes by late 2020 affording customers the ability to pay their fare by simply tapping a contactless, bank-issued payment card or a smart device. The introduction of the OMNY system's own contactless card is scheduled for 2021 and will provide expanded options for cash-paying customers: a virtual card available in the OMNY app, and a physical contactless card available at thousands of retail locations throughout the New York region.

**State Comptroller's Comment:** OMNY may not be a better system for all customers because there are individuals who do not have access to the allowable payment methods such as a credit card, cell phone with the app, or smart watch that can be used with the

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system. Riders will have to find retail locations to purchase contactless payment cards. Information available on the website indicates that cards will be available in vending machines at subway stations in the future, but there is no mention of what options will be available for those who ride the bus.

*Recommendation 5: Remind MTA personnel to swipe their ID passes and utilize turnstiles when entering the subway system, unless there is a valid reason to use emergency exits.*

Agency Response: NYCT agrees with this recommendation. NYCT Department of Security will issue a directive regarding MTA/NYCT personnel, reminding them of the necessity of employees swiping their passes at train stations and on MTA/NYCT buses.

*Recommendation 6: Ensure that key areas of subway stations contain fare evasion signage that is clearly visible and well-maintained.*

Agency Response: NYCT agrees with this recommendation. NYCT will continue to include the consequences of fare evasion. We will temper our approach accordingly in light of recent past initiatives and the public's reaction to them as well as the financial constraints resulting from the COVID-19 pandemic.

As background, since 2018, the MTA has taken an increasingly assertive approach to fare evasion messaging beginning with posters affixed to gates in all station control areas beginning in December 2018, and then, in the first quarter of 2019, adding floor decals at 50 stations with the highest fare evasion numbers. An interior train car advertising campaign followed in the first half of 2019 with messaging that conveyed the impact the revenue loss would have on our ability to keep the system maintained, as well as the potential consequence to riders who evade the fare, a \$100 fine. We will continue to adjust our communications efforts as we determine which are the most effective.

We worked to further encourage and promote New York City's Fair Fares program which allows eligible customers to pay half fare. Currently, this program is now facing a steep reduction (\$65 million) due to the pandemic; even so, we plan to advocate for it, and promote it to the extent it remains available and can help customers. We will also continue efforts already started prior to the pandemic, and in line with the State's observations and recommendations: 1. We are producing new signage for placement at our unmanned entrances 2. We will continue to present the fine on booth fare decals at staffed entrances, and 3. We will consider placement of messaging on MetroCard Vending Machines (MVM) screens and other digital assets.

*Recommendation 7: Instruct Eagle Team inspectors to tell fare evaders to pay the fare they evaded.*

Agency Response: NYCT understands the intent of the recommendation but is not legally able to implement it. The EAGLE Team does not possess the legal authority to compel an individual to swipe their MetroCard. Rather, EAGLE Team personnel can issue a summons for not paying their fare, and/or issue warnings. However, when a \$100 dollar summons is issued, that action is intended to fully and safely conclude the encounter. Prolonging this exchange could possibly escalate the situation into a verbal or physical confrontation.

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**State Comptroller's Comment:** We did not recommend EAGLE team inspectors "compel" passengers to pay the fare or engage individuals in an exchange that could escalate. Rather, we recommend that they follow the guidance provided by the agency. If the agency feels that their guidance will impact the safety of their employees, then they should re-evaluate their guidance.

*Recommendation 8: Instruct Eagle Team inspectors to issue fare evaders warnings only for reasons specified in the Eagles Team SOP.*

Agency Response: NYCT understands the intent of the recommendation but is not legally able to fully implement it. While NYCT has attempted to identify and write instructions for the various non-payment scenarios that may occur, it is not possible to pre-identify and pre-record in the EAGLE Team SOP ("Manual") the complete catalogue of all circumstances to inform the inspectors' use of discretion. The required use of discretion when an inspector evaluates each unique case of fare evasion, by definition, connotes the ability for individuals to judiciously act, for articulable reasons, within the framework of the known circumstances at the time. Fare enforcement formulaically administered, without discretion, will negatively impact customer service, public sentiment, and damage the MTA/NYCT brand. On this note, within the Manual 304-08, page 2 of 4, Step 6 e., it states:

*"Any other incident where the SI determines that the issuance of a TAB/NOV summons will not benefit NYCT or where the safety of employees, passengers or bystanders may be compromised."*

**State Comptroller's Comment:** As stated in our report, the reason for not issuing a summons was often not documented in the EAGLE team memo books; thus, there is no way to assess compliance with the agency guidance and make a determination if the inspector exercised appropriate discretion. Such a control helps ensure that all riders are treated in the same manner.

*Recommendation 9: Ensure that fare enforcement practices are consistent among different Eagle Teams.*

Agency Response: NYCT agrees with this recommendation. The NYCT Security Office has quality assurance practices in place for the Eagle Team, but will further reinforce with the EAGLE Team Special Inspectors (SI) the importance of uniform and consistent fare enforcement practices through bulletins and pre-operation meetings.

*Recommendation 10: Create a uniform template that can be used to record the details of each Eagle Team inspector's fare evasion counts.*

Agency Response: NYCT agrees with this recommendation. The EAGLE Team will adopt a next-generation (improved) form that is more detail oriented.

*Recommendation 11: Re-evaluate mechanical design and positioning plans of subways entrances and exits and make changes as warranted.*

Agency Response: NYCT agrees with this recommendation and has already completed an evaluation. The contractor for the existing MetroCard and new OMNY systems, Cubic,

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performed an evaluation of the current turnstile design and determined that there was no better design that would reduce fare evasion. The existing turnstiles include many design elements that discourage evasion or make it more difficult, and the evaluation determined that any modifications would not reduce evasion or would create new safety concerns.

The layout and positioning of control lines (turnstiles and gates used for entry and exit) is continually evaluated by Operations Planning and Stations to both improve capacity and discourage gate usage and fare evasion. The Electrical Maintenance Division implements these redesigns on an ongoing basis both as part of station upgrades and standalone projects.

*Recommendation 12: Evaluate the impact of operating subway station entrances without the presence of MTA personnel or HEET-only entrances. Perform and document a cost-benefit analysis to decide whether station booths and HEETs should be constructed at these entrances.*

Agency Response: NYCT agrees with this recommendation and completed an analysis and evaluation of this recommendation. Approximately ten years ago, NYCT changed its policy to allow unattended low turnstiles, and a study was conducted to determine whether this had any impact on fare evasion. The study found that there was very little difference in fare evasion between staffed and unstaffed entrances, and unstaffed entrances with low turnstiles and with HEETs. In each case, Station Agents have little ability to control fare evasion as they are not always present at a fare array when fare evasion occurs and due to the physical risk they assume when confronting non-paying riders. They are not an effective deterrent (in contrast, police presence was found to reduce fare evasion because they have the ability and legal authority to enforce fare payment). At unstaffed locations, HEETs provide significantly less throughput of departing customers than low turnstiles. This has been found to lead more customers to opening the emergency gates for exit than at stations with sufficient low turnstiles – hence facilitating further fare evasion as some riders take advantage of the open emergency exit gate to gain entrance. In addition, while customers cannot jump over or crawl under a HEET, they are not a foolproof fare evasion solution as some riders are able to double-up (or even triple-up) through on a single fare.

A further consideration is if the cost of changing out fare arrays outweighs the revenues that would be gained from less fare evasion. Assuming constructing and staffing a booth would reduce fare evasion, it would be extremely difficult to justify based on the costs. Full-time staffing of a booth costs approximately \$500K per year, not including costs for construction of the booth, or ongoing supervision, maintenance, supplies, servicing, etc. At an average fare of \$2.24, each newly staffed booth would need to get approximately 220,000 riders to pay their fare to offset its costs. There are very few control areas estimated to have this many fare evaders (or even this many total riders).

*Recommendation 13: Disclose pertinent details of statistical sampling methodologies used to calculate and report fare evasion statistics.*

Agency Response: NYCT agrees with this recommendation. NYCT's fare evasion documentation will be made available to the MTA Board and the public.

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*Recommendation 14: Continuously assess and revise as necessary the methodologies used to calculate and report fare evasion statistics.*

Agency Response: NYCT agrees with this recommendation and began such an assessment in late 2019. NYCT recently completed work with the MTA Office of the Inspector General and a professor at Columbia University to review, assess, and revise the sampling methodologies, calculation, and reporting of fare evasion statistics.

*Recommendation 15: Implement a methodology that includes MTA Bus fare evasion data with Transit bus rates to ensure the Board has complete fare evasion data.*

Agency Response: NYCT and MTA Bus Company management agree with the recommendation. Beginning third quarter 2019 (July 1, 2019), fare evasion data was collected jointly for NYCT and MTA Bus by a single group of dedicated and specifically trained traffic checkers. This methodology will ensure that MTA Bus data is comparable to NYCT data therefore providing the MTA Board with a comprehensive report of bus fare evasion.

All corrective action plans to reduce fare evasion are applicable to both agencies.

*Recommendation 16: Implement sufficient control activities to ensure implementation/execution of Program initiatives, including (a) establishing and disclosing to the Board, metrics on evaluating the progress and effectiveness of the Task Force, and (b) evaluating and documenting Program effectiveness and taking action to correct problems.*

Agency Response:

The MTA agrees with this recommendation and provides fare evasion rate statistics to the Board monthly and reports periodically on the implementation of other aspects of the implementation of the program.

(a) NYCT, together with the MTA Office of the Inspector General recently developed improved sampling methodologies. They have and will continue to report these methodologies to the board.

(b) The Fare Evasion and Worker Safety Task Force conducts monthly meetings (suspended during the COVID-19 pandemic) to evaluate progress on Program initiatives and determine adjustments to the Program.

*Recommendation 17: Remind NYPD and MTA PD Officers to instruct passengers to pay the fare.*

Agency Response: NYCT agrees with this recommendation. Although it does not have authority to dictate to the NYPD their actions, the MTA Department of Security will issue a directive to MTAPD and provide instructions to the NYPD to remind passengers to pay the fare.

*Recommendation 18: Ensure that information reported by the MTA Finance Committee and Transit and Bus Committee is accurate and discloses pertinent fare evasion sample details and take action where sampling deficiencies exist.*

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Agency Response: NYCT agrees that the information provided to the Finance Committee and Transit and Bus Committee should be accurate and disclose relevant details. The Division of Operations Planning will assume responsibility for such oversight.

*Recommendation 19: Establish a plan to genuinely monitor the implementation and evaluation of Task Force/Program initiatives to ensure fare evasion methodologies are valid and the Program is effective.*

Agency Response:

MTA principally agrees with this recommendation. Prevention of fare evasion is largely a police function. That said, the MTA's Fare Evasion and Worker Safety Task Force will continue to meet monthly (suspended for six months during the COVID-19 pandemic) to evaluate progress towards the reduction of fare evasion and consider new approaches that could further support this reduction.

Sincerely,



Patrick Warren

Chief Safety Officer, MTA  
Acting Chief Operating Officer, NYCT



# Permanent Bulletin

## \* UPDATED \*

August 28, 2020

To: Managers, Supervisors, Bus Operators and All Concerned

*Aileen White*

From: Aileen White, Chief Transportation Officer

Subject: **"KEY 5" PROGRAM FOR RECORDING OF FARE ABUSE**

In **New York City Transit (NYCT) and MTA Bus**, the bus farebox keypad is used to record incidents of fare evasion and short drops that occur on local and express buses. Collecting and monitoring fare evasion data is important to the MTA for identifying where fare evasion is a problem that needs to be addressed.

Bus operators in NYCT and MTA Bus are instructed that whenever customers refuse to pay the correct fare with coins, paper magnetic transfers or MetroCard, or refuse to display the proper identification for reduced fares, it is their responsibility to politely state the fare.

- If a customer dips/deposits less than a full fare, press the “Zero” key (display/refresh), and politely state the fare.
  - If the customer does not deposit the balance, press F6 (Dump), followed by F5 or Key #5 (Farebeat/Short Drop) and continue boarding customers.
- If a customer dips, or presents an invalid paper magnetic transfer, pass, or ticket, politely state the fare.
  - If the customer does not comply, press F5 or Key #5 and continue boarding customers..
- OMNY readers collect fares when the customer taps their credit card, debit card, reloadable prepaid card, or a smart device with digital wallet such as Apple Pay, Samsung Pay, Google Pay, and others. If the tap is rejected, it will produce a negative double tone. Politely state the fare.
  - If the customer does not comply, press F5 or Key #5 and continue boarding customers.
- All NYCT and MTA Bus employees are required to dip their MetroCard-Epic pass into the farebox. It does not make any difference if employees are on or off-duty, in or out of uniform, or display badges. If an employee does not dip their MetroCard-Epic pass, politely state “I’m sorry, but all employees are required to dip their pass into the farebox.”
  - If the employee does not comply, press Key #5 and continue boarding customers.

Additionally, bus operators should press Key #5 whenever they observe fare evasion activity at the rear exit door. ***This does not apply to Select Bus Service (SBS) where rear door boarding is permitted for customers that have pre-paid their fares.***



# Permanent Bulletin

September 20, 2019

To: Managers, Supervisors, Bus Operators, and All Concerned

*Cordell V. Rogers*

From: Cordell V. Rogers, General Manager, MTA/NYCT Bus Operations

Subject: **SELECT BUS SERVICE (SBS) OPERATING  
PROCEDURES AND FARE REGULATIONS**

Select Bus Service (SBS) is a high-performance surface transportation system that incorporates features of rail transit combined with the flexibility and cost advantages of bus transit. SBS brings improvements in speed and service reliability.

Bus operators assigned to SBS must undergo training prior to operating the service. The training will inform bus operators about all aspects of SBS and aid them in assisting customers. The Select Bus Service Employee Handbook will be issued as part of the instruction. Bus operators are responsible for adhering to its guidelines only on SBS routes where rear door boarding is permitted for customers that have pre-paid their fares. Listed below are some of the highlighted features of SBS:

- SBS buses have a unique design and appearance (see Attachment #1).
- A Proof-of-Payment (Off-Board) Fare Collection System is used, however, SBS buses must issue transfers to front-door boarding customers with valid MetroCard Fare Collector “Single Ride Ticket (SRT)” tickets or valid Coin Fare Collector tickets (see pages 3 and 4). The two machines issue different tickets.
- SBS buses allow all-door entry and exiting.
- At designated intersections, SBS may employ Traffic Signal Priority (TSP), a system that holds or advances a green traffic light by seconds, enabling more continuous movement through intersections.
- SBS boarding restrictions (e.g., for transporting certain items onboard) are the same as the regular service, with the exception that all-door boarding is permitted.
- Farebox decals on SBS buses are different (see Attachment #2). In addition, a small decal at the top of the farebox cautions customers not to deposit fares.
- Farebox logon procedures are the same as regular service.

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**Select Bus Service (SBS)**  
**Operating Procedures and Fare Regulations**  
**September 20, 2019**  
**Page 2**

- **Operators are required to drive in the bus lane whenever possible.** Some bus lanes will be enforced by video cameras on poles, and on some buses. No bus operator interaction is required.

**SBS Fare Payment**

Customers pay their fare at the MetroCard fare collector or coin fare collector machine located at the SBS bus stop. The fare collector issues the customer a proof-of-payment ticket. **All SBS fares must be paid before boarding the bus. If customers encounter defective machines, bus operators should permit them to board free, and politely inform them to pay at a working Fare Collector Machine when they get off the bus. It costs the same \$2.75 fare to ride SBS buses that is paid on regular and limited buses (see Attachment #2). Bus operators must open all doors at each SBS stop to allow entry and exiting.** With few exceptions (i.e., UniTickets, Block Tickets, General Order Transfers), all riders *including employees* must use the Fare Collectors and obtain a ticket. Unless a transfer is requested (for cash or SRT only), there is no need for customers to display the ticket to the bus operator. **Bus operators must comply with the standard operating procedures for boarding customers who need to use the wheelchair lift or ramp.**

Using the Fare Collectors, customers riding SBS will have the option to pay their fares with MetroCards and other fare media, as well as coins. Credit/Debit cards, Smart Cards and paper money are not accepted.

**Paying at the MetroCard Fare Collector**

To pay the fare with a MetroCard, a Single Ride Ticket, or a bus transfer, customers will insert their card into the MetroCard Fare Collector. The fare will be deducted automatically and a payment ticket issued. Even if customers have an Unlimited Ride MetroCard, they must still insert the MetroCard and obtain and carry the ticket for the duration of their trip.

Customers with a Reduced-Fare MetroCard, Access-A-Ride (AAR) MetroCard or a student with a Free Student MetroCard must insert their card into the MetroCard Fare Collector; a ticket is issued indicating a Reduced Fare MetroCard or Student MetroCard was used. They must remember to take their ticket and MetroCard from the machine and be prepared to show both, the ticket and MetroCard, if asked by a fare inspector.

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**Customers must pay their fare at the same bus stop at which they board the bus provided the Fare Collector Machine is operational. If customers are unable to use the machines because of defects, bus operators should permit them to board free, and politely inform them to pay at a working Fare Collector Machine when they get off the bus.**

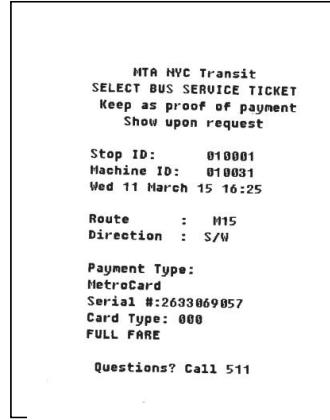
Cash customers making free transfers to SBS from a regular bus are required to obtain a SBS ticket. They insert the transfer into the MetroCard fare collector to obtain the ticket. **If a customer boards a local bus with a SBS ticket, the bus operator should verify the ticket is valid and allow the customer to board.** Bus operators will retain tickets that were verified and submit them to the crew supervisor upon clearing at the end of the day.

#### METROCARD FARE COLLECTOR TICKETS

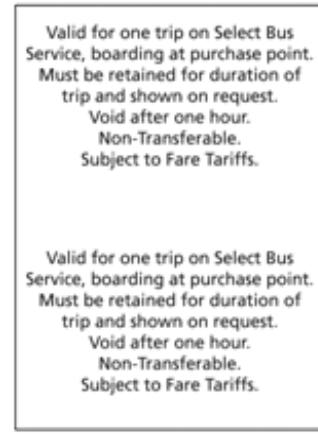
Single Ride Ticket



MetroCard Ticket



Reverse Side of Ticket



Note: Customers inserting a “Single Ride Ticket” in the MetroCard Fare Collector will be issued a ticket similar to the one displayed above. The ticket will indicate Single Ride Ticket as the fare medium that was used. MetroCard Fare Collector tickets for Single Ride Tickets entitle the customer to receive a transfer upon boarding the bus via the front door. When issuing transfers, bus operators must verify that the date, time and direction are valid. Tickets are void after one hour.

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**METROCARD FARE COLLECTOR MACHINES**



**Paying at the Coin Fare Collector**

For customers using coins, the full fare to ride SBS is \$2.75 and half-fare is \$1.35. Coin fare collectors are located at all SBS stops. Only U.S. coins are accepted (no pennies or half dollars). Full fare customers deposit \$2.75 in coins. Half-fare customers (senior citizens, persons with disabilities, and half-fare students) must press the yellow half-fare button, and then deposit \$1.35 in coins. After their fare is paid, the machine dispenses a ticket. Customers must remember to take their tickets and be prepared to show both the ticket and valid reduced-fare identification or half-fare Student MetroCard if asked by a fare inspector. The coin fare collector machines accept overpayment, but do not issue change.

Cash customers who need to transfer from SBS to another bus route must board through the front door, show their ticket to the bus operator, and ask for the transfer. The only other customer group that will need to request a transfer from the bus operator will be customers who use MetroCard Single-Ride Tickets.

**COIN FARE COLLECTOR TICKET & MACHINE**



*Note: Coin Fare Collector Tickets do not display the year. When issuing transfers, bus operators must verify that the month, day, time and direction are valid. Tickets are void after one hour.*

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**Paying with Pay-Per-Ride MetroCard for More than One Person**

Those traveling in a group of up to four persons and using a Pay-Per-Ride MetroCard will insert the card into the MetroCard fare collector up to four times. Payment receipts (maximum of four) will be issued for each member of the group.

If a group is using a Pay-Per-Ride MetroCard to transfer to SBS, each must insert the card into the MetroCard Fare Collector only once. A ticket will be issued for each member of the group.

**Paying with Metro-North UniTicket (Bx12 and Bx41 SBS)**

**Customers using a Metro-North UniTicket do not need to get a receipt prior to boarding.** They should board SBS through any door and be prepared to show their UniTicket if asked by a fare inspector.

**Paying with Block Ticket or General Order Transfer**

**Customers using a Block Ticket or General Order Transfer do not need to get a receipt prior to boarding.** They should simply board SBS through any door and be prepared to show the ticket or transfer if asked by a fare inspector.

**Making Connections from SBS**

Unlimited Ride MetroCard includes all transfers free of charge. When transferring between SBS routes, a new fare ticket must be obtained from a fare machine serving the second route. All other transfers work the same as on local buses. For example, the special transfer to the Bx29 to reach City Island works for both Bx12 SBS and regular Bx12 local service. Customers must have a MetroCard to take advantage of the 3-leg transfer. Customers are also permitted to transfer, in the same direction, between the local and SBS bus of the same number.

Transfers from SBS to the subway or other bus routes are electronically encoded as always on Pay-Per-Ride MetroCards.

After paying the SBS fare with coins or a Single Ride Ticket, customers may still transfer free to intersecting bus routes. They must ask the SBS bus operator for a bus transfer immediately upon boarding.

A free transfer is also provided for customers at local SI stops skipped by the S79 SBS. Customers can board an S78 or S59, transfer to an S79 SBS and then transfer again to a B1, B16, B63, B70 or **R** all on one fare. B1, B16, B63, B70 and **R** customers can board an S79 SBS and then an S59 or S78 bus all on one fare.

### **Fare Collector Machine Malfunctions**

Most SBS bus stops will have two MetroCard fare collectors and either one or two coin fare collectors. If one of the machines is defective, customers should be directed to use the other machine to pay their fare. *This is not applicable when there is only one machine (e.g., Coin Fare Collector).* If customers are unable to use the machines because of defects, bus operators should permit them to board free, and politely inform them to pay at a working fare collecting machine when they get off the bus, and notify the Bus Command Center (BCC) immediately. Customers should contact 511 for assistance related to the fare collector machines.

### **SBS stops without Fare Machines**

On some SBS routes, no fare machines are installed at the last few stops before the terminal, because of low boarding activity. If a customer wishes to board at these stops, bus operators should permit them to board and politely inform them to pay at the next available stop where there is a fare collecting machine. The fare inspection staff may require customers boarding at these stops to get a ticket at their destination stop.

Attachments (1 & 2)

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**Attachment #1**

**SELECT BUS SERVICE (SBS) BUS**



**SEL**



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**Attachment #2**

**SELECT BUS SERVICE (SBS) FARE DECAL**



# Contributors to Report

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**Ken Shulman** - Assistant Comptroller

## Audit Team

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