



November 3, 2021

Janno Lieber
Acting Chair and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway, 20th Floor
New York, NY 10004

Re: New York Office of the State Comptroller
30-Day Response to Follow-Up Report #2021-F-15

Dear Chair Lieber:

The Triborough Bridge and Tunnel Authority (TBTA), an affiliate of the Metropolitan Transportation Authority (MTA) and also known as MTA Bridges and Tunnels, reviewed the New York State Comptroller's follow-up audit report, "*Efforts to Collect Tolls and Fees Using License Plate Images and Law Firms*" (Report #2021-F-15) and provides the following in response thereto.

As more fully described below, TBTA continues its efforts to maximize revenue recovery through the collection of tolls and violation fees using license plate images and, until TBTA's civil toll collection matters can be brought in-house, using outside collection counsel.

The New York State Comptroller's 'Summary Conclusions and Status of Audit Recommendations' found that TBTA has made progress in addressing the issues identified in their initial report.

Specific Responses Regarding Unbilled Transactions (Leakage)

Unbillable transactions, including rejected license plate images, are inherent in the process for any Cashless Tolling environment. The revenue risk is mitigated by other measures, such as registration suspension programs enforced by TBTA officers and the New York State Police, out-of-state Department of Motor Vehicles (DMV) reciprocity agreements, exclusion orders for out-of-state vehicles, collection efforts and civil actions.

Since the initial audit report was issued in July 2018, TBTA began categorizing unbillable transactions according to Technical and Business Reasons. As the follow-up audit report correctly stated, TBTA categorized 312,275 of the 2,393,895 Technical Reason image rejects as due to camera-related issues. This represents approximately 13% of Technical Reasons and 5% of overall unbilled transactions. For the audit period, the number of rejects due to camera-related issues is less than one-tenth of one percent of vehicle transactions.

The remaining unbilled transactions for Technical Reasons include images where no plate was present on the vehicle, no vehicle was present in the lane, obstruction of the license plate, or weather-related issues, among others.

The category of Business Reasons includes license plate images in which we were able to determine the state and plate number, but we could not bill the owner due to a “DMV No Hit” (DMV failure to return the registered vehicle owner’s name and address). During the audit period, many of the DMV No Hits were related to fraudulent or counterfeit temporary license plates from New Jersey. Two additional Business Reasons for unbilled transactions, “No DMV Agreement” and “Temporary License Plate,” reflect states for which we have not been permitted access to temporary license plate databases, namely Texas and Connecticut. TBTA has either direct or indirect agreements with all 50 states and the District of Columbia for permanent passenger and commercial vehicle license plates.

TBTA maintains that the increase in unbilled transactions in 2020 through 2021 coincided with the COVID-19 pandemic. We began seeing an increase in temporary license plates at our toll facilities, which was followed by an increase in unbilled transactions. TBTA has proactively reached out to other law enforcement entities, our partner tolling agencies, state DMVs and other state agencies to bring to light the impact that the use of fraudulent and counterfeit temporary license plates was having on toll revenue. It should be noted that this problem is not isolated to tolling – it is impacting revenue collection programs nationwide.

RECOMMENDATIONS AND RESPONSES

1. *Improve NYCSC access to the complete image files to decrease leakage.*

Status: Not Implemented

Response: As an alternative to submitting all images to the New York Customer Service Center (NYCSC), in August 2019, TBTA implemented a process whereby the best front and rear images associated with a vehicle, determined by the use of Optical Character Recognition (OCR) software, are transmitted to the NYCSC. TBTA assessed the performance of this OCR solution after implementation and found that it performed well in selecting the best images for transmission to the NYCSC.

2. *Periodically review and monitor the rejected image review process to ensure staff is accurately categorizing the rejected images.*

Status: Partially Implemented

Response: As an alternative solution, TBTA implemented a new monthly Service Level Agreement (SLA) with the NYCSC vendor whereby 90% of sampled images must be rejected with the correct reject category code. Results showed that the NYCSC vendor was consistently exceeding this SLA requirement since implementation in September 2020.

3. *Require entities in TBTA's Fleet Program to register their trailers so that they can be charged if the registration information from the power unit cannot be identified.*

Status: Implemented

Response: No response required.

4. *Collect and analyze the information for any usage patterns of unbillable tractor trailers that are not part of a Fleet Program. Use these results to identify and contact the trailer owner and to request information about the owner of the tractor.*

Status: Not Implemented

Response: In March 2019, the NYCSC vendor implemented a change order that enabled the trailer of a multi-axle vehicle to be entered into the image review system and allow posting to an E-ZPass account if the trailer plate was associated with an account. Due to then-pending lawsuits brought against two Florida tolling agencies, TBTA did not proceed in 2019 with sending the trailer plate to DMV for a name and address if the plate was not associated with an account. In March 2021, those lawsuits were resolved. Accordingly, TBTA has instructed the NYCSC vendor to begin sending the trailer plate to DMV if an E-ZPass account is not found in order to bill the vehicle owner through the Tolls by Mail program.

5. *Require that the vendor take action (and document such actions) to obtain temporary license plate registration information from out-of-state DMVs.*

Status: Partially Implemented

Response: TBTA has directed the NYCSC vendor to obtain temporary license plate registration information from every state DMV which permits access to their temporary plate database, either through direct DMV interfaces or through third-party vendors. TBTA now has access to 10 states' temporary license plate databases.

6. *Document the review of reports sent by NYCSC to show what, if anything, was done to correct identified maintenance issues.*

Status: Implemented

Response: No response required.

7. *Document the business practice changes as a result of transitioning from outside to in-house counsel, prepare cost-benefit analysis, and establish a completion date for the transition. Perform periodic audits of the outside counsels' invoices as outlined in the retainer agreements.*

Status: Partially Implemented

Response: As acknowledged, TBTA did perform and provide a qualitative assessment which made self-evident the costs of continuing to have to correct essentially all of outside counsel's legal work for civil toll collection matters, and TBTA has performed periodic audits of outside counsel's contingency fees and invoiced disbursements. The TBTA Law Department was consolidated into the MTA Law Department effective September 30, 2021. As the MTA Law Department continues to implement its reorganization, we anticipate that TBTA's civil toll collection matters will be brought in-house from outside counsel, that the completion date of such transition will be established, and that the business practice changes resulting from such transition will be documented.

8. *Follow up on additional efforts to ensure enforcement of judgment[s] to enable the agency's plan of actions to collect judgments to be completed.*

Status: Partially Implemented

Response: TBTA will continue its efforts to coordinate with the New York State Department of Taxation and Finance and the New York State Division of the Budget for full approval to proceed so that TBTA can actively participate in the Statewide Offset Program (SWOP).

Thank you for the opportunity to respond to this audit. Please do not hesitate to contact us if you have any questions.

Sincerely,



Daniel F. DeCrescenzo, Jr.
President

cc: Michelle Woods, MTA Audit Services
Julia R. Christ, TBTA General Counsel
Anne Marie Bressler, TBTA