City and County of San Francisco

Office of the Controller – City Services Auditor

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY:

The Taxis and Accessible Services Division Needs to Better Manage Its Paratransit Contract and Improve Controls Over Its Taxi Complaint and Taxi Driver Permit Processes

April 24, 2014

OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR

The City Services Auditor Division (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

CSA may conduct financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

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- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

For questions regarding the report, please contact Director of City Audits Tonia Lediju at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

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San Francisco Municipal Transportation Agency: The Taxis and Accessible Services Division Needs to Better Manage Its Paratransit Contract and Improve Controls Over Its Taxi Complaint and Taxi Driver Permit Processes

April 24, 2014

Purpose of the Audit

The audit assessed whether the Taxis and Accessible Services Division (division) of the San Francisco Municipal Transportation Agency (SFMTA) effectively manages the five-year, $118.6 million paratransit contract to ensure that eligible patrons receive safe, prompt, and high-quality service. It also assessed whether SFMTA adequately ensures that the public receives safe and effective taxi service in San Francisco, consistent with the division's mission. Specifically, the audit evaluated SFMTA's effectiveness in its taxi complaint and taxi driver permit processes.

Highlights

Nearly four million trips occur in San Francisco each day through various modes of transportation, including walking, biking, taxi, bus and other fixed-route services, and automobile. The division is responsible for managing more than 50,000 trips per day provided by taxis and accessible transportation vehicles. The audit found that:

- SFMTA does not adequately ensure that paratransit services are safe, prompt, and of high-quality. SFMTA relies on the paratransit broker, Veolia Transportation Services, Inc., (Veolia) to ensure the delivery of safe, prompt, and high-quality paratransit services based on performance goals. However, SFMTA does not adequately verify that the performance goals are met and instead relies on data reported by Veolia.
- SFMTA pays $18.5 million yearly in paratransit costs but does not verify support for all these costs, so it cannot ensure that they are valid. SFMTA does not receive and verify support for 79 percent of monthly paratransit invoices that represent transportation costs. SFMTA receives support for Veolia's labor and other direct costs but does not thoroughly review the support.
- SFMTA should ensure that the paratransit broker agreement clearly defines outreach activities and priorities.
- SFMTA should strengthen internal controls over the eligibility determination process for paratransit applicants.
- Veolia lacks effective information system controls to ensure that the Trapeze system and Debit Card Central System (DCCS) are well-managed. Veolia does not frequently or thoroughly review user access to its systems, and some users have inappropriate user access.
- SFMTA does not have a reliable count of taxi complaints received, investigated, or resolved due to it not logging all taxi complaints received and inadequate written policies and procedures to consistently and reliably log, track, investigate, and resolve taxi

Recommendations

The report includes 42 recommendations for SFMTA to improve its management of the paratransit contract and improve internal controls over its taxi complaint and taxi driver permit processes. These include that SFMTA should:

- Periodically inspect to ensure that Veolia maintains adequate paratransit safety records for each of its service providers.
- Compare Veolia's calculations for measuring on-time paratransit trip performance to source data for taxi, SF Access, and group van services.
- Periodically review Veolia's process for tracking, investigating, and resolving paratransit complaints to ensure that they are entered into the tracking system promptly and are adequately resolved.
- Periodically review support for paratransit transportation costs and thoroughly review supporting documents for labor and other direct costs to ensure that costs are

complaints. Also, SFMTA does not obtain some video evidence because it uses an outdated, inaccurate Cabdriver Waybill Request form. • SFMTA uses an insecure complaint-tracking system that could be tampered with without detection. • The taxi driver permit process is inadequate and does not ensure that only safe and qualified drivers operate taxis in San Francisco. SFMTA's taxi driver permit process lacks supervisory review, does not verify that applicants meet health prerequisites, and does not verify that taxi drivers renew their permits yearly.	valid. • Implement a formal monitoring process over the eligibility determination process to ensure that only eligible patrons receive paratransit services. • Revise the outreach and related tasks in the paratransit broker agreement to reflect agency priorities and ensure that outreach activities are targeted to appropriate populations and areas of San Francisco. • Require Veolia to regularly review current user access to the Trapeze system and DCCS and restrict system users' access in accordance with their job duties. • Consider purchasing or developing a taxi complaint tracking system. • Implement supervisory review in the taxi driver permit process, require applicants to pass a drug test, and implement a process to ensure that taxi drivers renew their permits yearly.

Copies of the full report may be obtained at:
Office of the Controller ● City Hall, Room 316 ● 1 Dr. Carlton B. Goodlett Place ● San Francisco, CA 94102 ● 415.554.7500
or on the Internet at http://www.sfgov.org/controller

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

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April 24, 2014

Board of Directors
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Mr. Edward D. Reiskin
Director of Transportation
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Dear Board Chairman, Board Members, and Mr. Reiskin:

The Office of the Controller's City Services Auditor Division (CSA) presents its audit report of the Taxis and Accessible Services Division (division) of the San Francisco Municipal Transportation Agency (SFMTA). The audit objectives were to assess whether SFMTA:

- Effectively manages its five-year, $118.6 million paratransit contract to ensure that eligible patrons receive safe, prompt, and high-quality service.

- Adequately ensures that the public receives safe and effective taxi service in San Francisco, consistent with the division's mission.

The audit found that SFMTA does not provide adequate oversight to verify whether the paratransit broker ensures the delivery of safe, prompt, and high-quality paratransit services. Also, SFMTA does not verify support for paratransit invoices and cannot ensure that all costs are valid. Furthermore, SFMTA lacks adequate oversight and documented processes and procedures over the eligibility process to ensure that only eligible patrons receive paratransit services. The paratransit broker's information technology systems should be better secured. Last, SFMTA must strengthen controls over its taxi complaint and taxi driver permit processes.

The report includes 42 recommendations for SFMTA to consider. SFMTA's response to the report is attached as an appendix. CSA will work with SFMTA to follow up on the status of the recommendations made in this report.

CSA appreciates the assistance and cooperation of SFMTA staff during the audit. For questions about the report, please contact me at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Respectfully,

Tonia Lediju
Director of City Audits

cc: Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

TABLE OF CONTENTS

Glossary of Terms iv

Introduction 1

Chapter 1 – SFMTA Must Better Manage Its Five-Year, $118.6M Paratransit Contract 21

Finding 1.1. SFMTA does not adequately ensure that paratransit services are safe, prompt, and of high quality 21

Finding 1.1.1. SFMTA does not ensure that Veolia verifies paratransit safety records 21

Finding 1.1.2. SFMTA does not adequately ensure that paratransit services are prompt 24

Finding 1.1.3. SFMTA must develop policies and procedures to ensure that paratransit complaints are adequately resolved in a timely manner to ensure high-quality service 27

Finding 1.2. SFMTA pays $18.5 million in yearly paratransit costs but does not verify support and, therefore, cannot ensure that these costs are valid 29

Finding 1.2.1. SFMTA does not thoroughly review the support for labor and other direct costs it receives monthly from Veolia 30

Finding 1.2.2. SFMTA does not receive or review support for paratransit transportation costs 32

Finding 1.3. SFMTA made $12,000 in incentive payments to Veolia in fiscal year 2012-13 without verifying support to ensure that Veolia earned these payments 37

Finding 1.4. SFMTA should strengthen internal controls over the eligibility determination process for paratransit applicants 39

Finding 1.5. SFMTA should ensure that the paratransit broker agreement clearly defines outreach activities and priorities 42

Chapter 2 – Veolia's Paratransit Information Technology Systems Should Be Better Secured to Avoid Misuse 49

Finding 2.1. Veolia does not frequently or thoroughly review user access to its Trapeze system or Debit Card Central System 49

Finding 2.2. Veolia's eligibility clerks have broad access to the Trapeze system and Debit Card Central System, creating the opportunity to grant eligibility and make changes to patrons' debit cards 50

Finding 2.3. Veolia has inadequate password-protection controls for its paratransit systems 53

Chapter 3 – SFMTA Must Strengthen Controls Over Its Taxi Complaint and Taxi Driver Permit Processes 55

Finding 3.1. SFMTA does not consistently log, track, investigate, or follow up on taxi complaints, which results in unreliable performance data 55

Finding 3.1.1. SFMTA's taxi complaint counts are unreliable due to a lack of monitoring by managementand inadequate policies and procedures for complaint processing 56

Finding 3.1.2. SFMTA does not obtain some video evidence because it uses an outdated, inaccurate Cabdriver Waybill Request form 61

Finding 3.1.3. SFMTA uses an insecure complaint-tracking system that could be tampered with without detection 62

Finding 3.2. SFMTA's taxi driver permit process is inadequate and needs improvement. It does not ensure that only safe and qualified drivers operate taxis in San Francisco 63

Finding 3.2.1. SFMTA lacks management controls over its taxi driver permit process, increasing the risk of errors and incomplete records 64

Finding 3.2.2. SFMTA does not verify that drivers meet health prerequisites 66

Finding 3.2.3. SFMTA's taxi driver training test has outdated questions 68

Finding 3.2.4. SFMTA does not secure its taxi driver tests to prevent inappropriate access 68

Finding 3.2.5. SFMTA does not secure its taxi driver permit records to prevent unauthorized access 69

Finding 3.2.6. SFMTA does not verify whether taxi drivers renew their taxi driver permits 70

Finding 3.2.7. SFMTA's taxi permit policies and procedures are inadequate, depriving staff of useful written guidance 71

Appendix A – Taxi Driver Permit Process A-1

Appendix B – Taxi Complaint Process B-1

Appendix C – Process for ADA Paratransit Services C-1

Appendix D – SF Paratransit Debit Card Central System High-Level Systems Interface D-1

Appendix E – Maps of Paratransit Pick-ups and Clients by Zip Code E-1

Appendix F – Department Response F-1

GLOSSARY OF TERMS

311	311 Customer Service Center
A-card	Permit to operate a taxi in San Francisco
ADA	Americans With Disabilities Act
BART	Bay Area Rapid Transit
City	City and County of San Francisco
CSA	City Services Auditor Division of the Office of the Controller
DAAS	Department of Aging and Adult Services
DCCS	Debit Card Central System; the software system used for taxi paratransit services
division	Taxis and Accessible Services Division of San Francisco Municipal Transportation Agency
IT	Information Technology
ITE	In Taxi Equipment; hardware installed in all taxi vehicles
FTA	Federal Transit Administration
FTE	Full-time equivalent
GAO	United States Government Accountability Office
MDC	Mobile Data Computer; hardware installed in paratransit vans
Muni	San Francisco Municipal Railway
NIST	National Institute of Standards and Technology
paratransit	Transportation for individuals who are unable to ride Muni's fixed-route system; mandated by the Americans With Disabilities Act
PCC	Paratransit Coordinating Council
PCO	Paratransit Coordination and Operation, a subcommittee of the PCC
ramp taxi	A taxi equipped with a wheelchair ramp
service provider	Local transportation providers and social services agencies contracted with Veolia to provide paratransit services
SFMTA	San Francisco Municipal Transportation Agency
SF Paratransit	The City's paratransit program
Trapeze	Trapeze-PASS Version 8; the software system Veolia uses for paratransit routing and scheduling, complaint tracking, and client data management
Veolia	Veolia Transportation Services, Inc.

INTRODUCTION

Audit Authority

This audit was conducted under the authority of the Charter of the City and County of San Francisco (City), Section 3.105 and Appendix F, which requires that the City Services Auditor (CSA) of the Office of the Controller conduct periodic, comprehensive financial and performance audits of city departments, services, and activities.

This is CSA's fourth annual performance audit of a unit of the San Francisco Municipal Transportation Agency (SFMTA). The audit evaluates SFMTA's management of its paratransit contract and taxi services, key responsibilities of SFMTA's Taxis and Accessible Services Division. This work is intended to inform SFMTA's leadership as it addresses ongoing fiscal concerns.

Background

In November 1999 San Francisco voters amended the City Charter by passing Proposition E, which called for the creation of SFMTA through the consolidation of the San Francisco Municipal Railway (Muni) and the City's Department of Parking and Traffic. The new agency began on July 1, 2002. In November 2007 voters approved Proposition A, which granted SFMTA regulatory authority over the taxi industry, effective March 1, 2009.

SFMTA is responsible for operating and maintaining the City's network of surface transportation that includes pedestrians, bicycles, transit, traffic, and parking. SFMTA also regulates the taxi industry in San Francisco.

Governance of SFMTA

A seven-member Board of Directors, appointed by the mayor and confirmed by the Board of Supervisors, governs SFMTA. The Board of Directors sets policy for SFMTA, approves its budget, and appoints the director of transportation, who is the chief executive responsible for the agency's day-to-day operations.

Taxis and Accessible Services Division

The Taxis and Accessible Services Division (division) manages the regulation of the San Francisco taxi industry and the accessible transportation offerings available to all users of SFMTA's services. The division:

- Licenses and trains taxi drivers.
- Recommends taxi regulations to the Board of Directors.
- Monitors taxi regulatory compliance and conducts enforcement and discipline for violations.
- Oversees the paratransit system.
- Supports other divisions of SFMTA by reviewing agency projects to ensure accessibility to residents and visitors with disabilities.
- Ensures that the Muni system is accessible.

Taxis and Accessible Services Division's budget

The division consists of the Taxi Services unit and Accessible Services unit. The Taxi Services unit had budgets of $4.1 million and $3.4 million, respectively, in fiscal years 2012-13 and 2013-14. In the same two years, the Accessible Services unit had budgets of $20.9 million and $22.2 million.

Exhibit 1 shows the total budgeted amounts for SFMTA and the amounts allocated for its various programs, including the two units in the division.

EXHIBIT 1 San Francisco Municipal Transportation Agency Budget by Program Fiscal Years 2012-13 and 2013-14

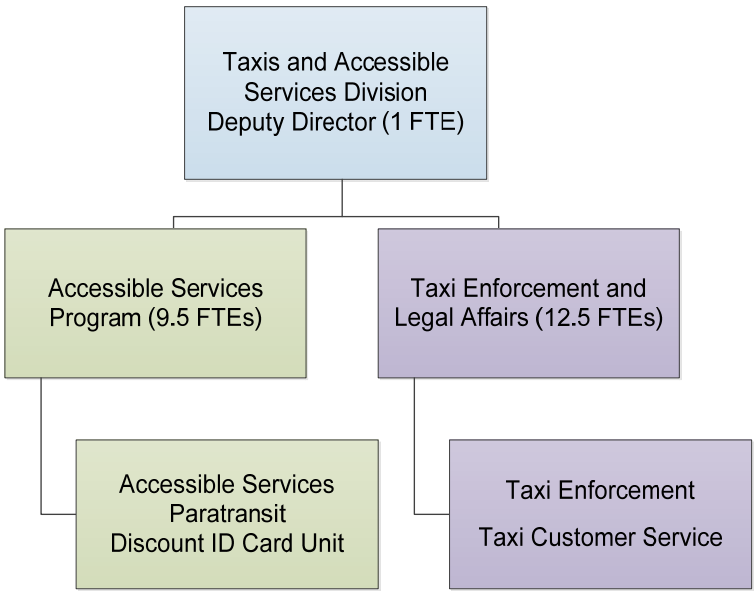
Program	2012-13 Adopted Budget	2013-14 Adopted Budget	Difference
Accessible Services	**$20,913,224**	**$22,178,474**	**$1,265,250**
Taxi Services	**4,098,656**	**3,401,034**	**(697,622)**
Administration	69,028,044	73,440,798	4,412,754
Agency-wide Expenses	105,049,662	66,161,614	(38,888,048)
Capital Programs and Construction	100,402	5,044,187	4,943,785
Development and Planning	714,521	1,012,278	297,757
Parking and Traffic	82,629,336	92,503,698	9,874,362
Parking Garages and Lots	24,377,430	28,878,125	4,500,695
Rail and Bus Services	443,907,050	481,671,539	37,764,489
Security, Safety, Training, and Enforcement	79,798,726	79,697,474	(101,252)
Total	$830,617,051	$853,989,221	$23,372,170

Source: City's fiscal year 2013-14 and 2014-15 Budget and Appropriation Ordinance

The division has 23 budgeted full-time equivalent (FTE) positions for fiscal year 2012-13.

Exhibit 2 shows the division's organization chart with the number of budgeted positions for each unit.

EXHIBIT 2 Taxis and Accessible Services Division Organization Chart



*Note: Full-time equivalents shown are for fiscal year 2012-13.

Source: SFMTA's fiscal year 2013 and 2014 Adopted Operating Budget

Taxi Services unit

On March 1, 2009, the Board of Supervisors transferred the regulatory jurisdiction of the San Francisco taxi industry to SFMTA from the Taxi Commission, which ceased to exist at that time. The division's Taxi Services unit now regulates the taxi industry in San Francisco. The Taxi Services unit is responsible for identifying, implementing, and enforcing appropriate policies through local motor vehicle for hire laws and regulations to:

- Protect public safety.
- Improve public service.
- Reduce congestion and increase parking availability.
- Improve air quality.
- Support the economic productivity and sustainability of the San Francisco motor vehicle for hire industry.

The Taxi Services unit performs administrative functions related to the taxi industry including issuance, denial, revocation, and renewal of taxi permits and the management of permit holder files and data, such as taxi medallions[1] and driver permits, among other things. The Taxi Services unit enforces the requirements of the Transportation Code, which address topics including passenger complaint investigations, driver discipline, and field investigations.

Taxi driver permit process in San Francisco

Those who wish to become a taxi driver in San Francisco must:

- Meet certain prerequisites.
- Pass a pre-screening for new drivers.
- Complete taxi school offered by a non-SFMTA provider.
- Pass a background check.
- Provide a ten-year driving history.
- Obtain a job offer from a taxi company.
- Pass SFMTA's in-house taxi training.

SFMTA administers the permit process for drivers to obtain a permit, also known as an A-card, to operate taxis in San Francisco. Prerequisites include:

- Proof of residency
- Personal hygiene
- Good health
- Valid California driver's license
- Ability to drive four or more hours per day
- No prior criminal history that, in the judgment of SFMTA, would present a risk to public safety
- Age 21 or older
- English language proficiency

Appendix A shows the taxi driver permit process.

[1] A taxi medallion is a permit to operate a taxi in San Francisco. A person who holds an A-card may legally drive a taxi in San Francisco and either holds a medallion or rents a taxi from a medallion holder.

Taxi complaints

SFMTA receives most taxi complaints through the City's 311 Customer Service Center (311). Relatively few complaints are received through phone calls or e-mails directly to SFMTA. An SFMTA employee tracks the complaints on electronic spreadsheets and requests information from the taxi companies based on the type of complaint. Based on the severity of the complaint and information received from the taxi company, the employee will either close the complaint or assign it to an investigator for investigation and resolution. Appendix B depicts the taxi complaint process.

Exhibit 3 shows the number of taxi complaints by source per fiscal year, according to SFMTA's records.[2]

EXHIBIT 3 Recorded Number of Taxi Complaints by Source

Sources	Fiscal Year 2011-12	Fiscal Year 2012-13[b]
311	1,273[a]	669
E-mail	123	7[c]
Call	0	0[c]
Other	10	1[c]
Total	**1,406**	**677**

Notes: Finding 3.1.1 relates to the notes below.
[a] No data for April through June 2012 in SFMTA's records.
[b] SFMTA did not retain records of complaints for August 2012 through March 2013.
[c] SFMTA records contain no complaint information for non-311 complaints in April 2013.

Source: SFMTA records

Accessible Services unit

The Accessible Services unit is responsible for the following:

- Fixed-route accessibility
  - Ensures compliance with the Americans With Disabilities Act (ADA) regulations
  - Oversees Muni operational issues that impact senior and disabled access
  - Conducts transit operator trainings on ADA regulations and disability sensitivity
- Staffs the Muni Accessibility Advisory Committee

[2] SFMTA's taxi complaint records are incomplete because they exclude 311 complaint data for three months of fiscal year 2011-12 and eight months of fiscal year 2012-13. Consequently, the numbers of taxi complaints derived from these records for the two years are understated. Refer to Finding 3.1.1.

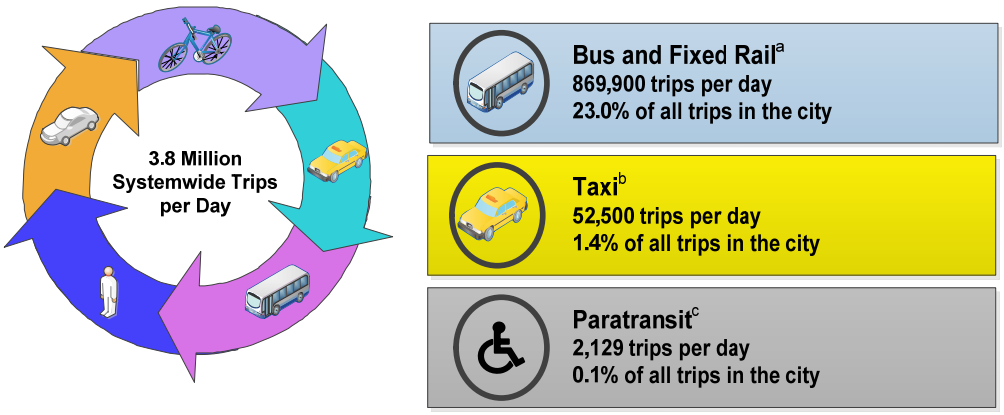
- Capital projects
  - Ensures infrastructure, facility, and vehicle procurement projects are ADA-compliant
- Paratransit
  - Manages ADA-mandated paratransit transportation for individuals who are unable to ride Muni's fixed-route system independently some or all of the time due to a disability or health-related condition
  - Manages the paratransit broker contract
- Technical assistance for ADA compliance
  - Provides as-needed assistance to SFMTA divisions on ADA compliance issues
  - Manages the Discount ID program

The division is responsible for more than 50,000 daily trips, most by taxi.

Nearly four million trips occur in San Francisco each day, including walking, biking, taxi, bus and other fixed-route, and automobile modes of transportation. The division is responsible for managing more than 50,000 trips per day provided by taxis and accessible transportation vehicles.

Exhibit 4 summarizes the average number of daily trips made in San Francisco by Muni's fixed-route vehicles, taxis, and paratransit.

EXHIBIT 4 Daily Fixed-Route, Taxi, and Paratransit Trips in San Francisco



Notes:
[a] Bus and fixed rail trips are based on telephone survey data collected between October 2012 and January 2013.
[b] Taxi trips are based on an extrapolation of 2013 taxi trip data.
[c] Paratransit trips are based on fiscal year 2012-13 data and include van and taxi trips.

Source: SFMTA

San Francisco's paratransit program

SFMTA has provided paratransit services to the San Francisco community since 1978. The City's paratransit program, known as SF Paratransit, offers services for eligible individuals who cannot independently use the City's fixed-route public transportation service due to a disability or disabling health condition. SF Paratransit offers complementary van and taxi services in accordance with requirements of the ADA. To serve people who are unable to access the fixed-route system but may not qualify under ADA requirements or have other transit-related needs, SF paratransit offers additional services.

SFMTA provides nearly 800,000 paratransit trips yearly.

SFMTA is one of the four largest paratransit operators in the San Francisco Bay Area, providing nearly 800,000 paratransit trips annually. According to a 2011 report written for the Metropolitan Transportation Commission, there were 19 ADA paratransit programs provided by public transit agencies and at least 32 non-ADA paratransit services provided by transit or other public agencies in the Bay Area.[3]

Veolia was awarded the current paratransit broker agreement in 2010.

On January 26, 2010, the Board of Supervisors approved a total not-to-exceed amount of $118.6 million for the paratransit broker agreement with Veolia Transportation Services, Inc. (Veolia), continuing its role in administering the City's paratransit program under the direction of SFMTA. The agreement's initial term is five years, from April 1, 2010, through June 30, 2015, with an option to extend the agreement for another five years, through June 30, 2020. Veolia has been the City's broker for paratransit services since 2000.

Veolia administers the City's paratransit program.

As SFMTA's paratransit broker, Veolia is responsible for administering and managing all aspects of the City's paratransit program, including:

- Determining patron eligibility.
- Conducting outreach and providing customer service to patrons.
- Managing various paratransit information technology systems and databases.
- Developing and maintaining a structured protocol

[3] Non-ADA paratransit services go beyond the scope of ADA requirements to meet community needs. For a list of these services in San Francisco, see Exhibit 7.

for all assets purchased with city funds.

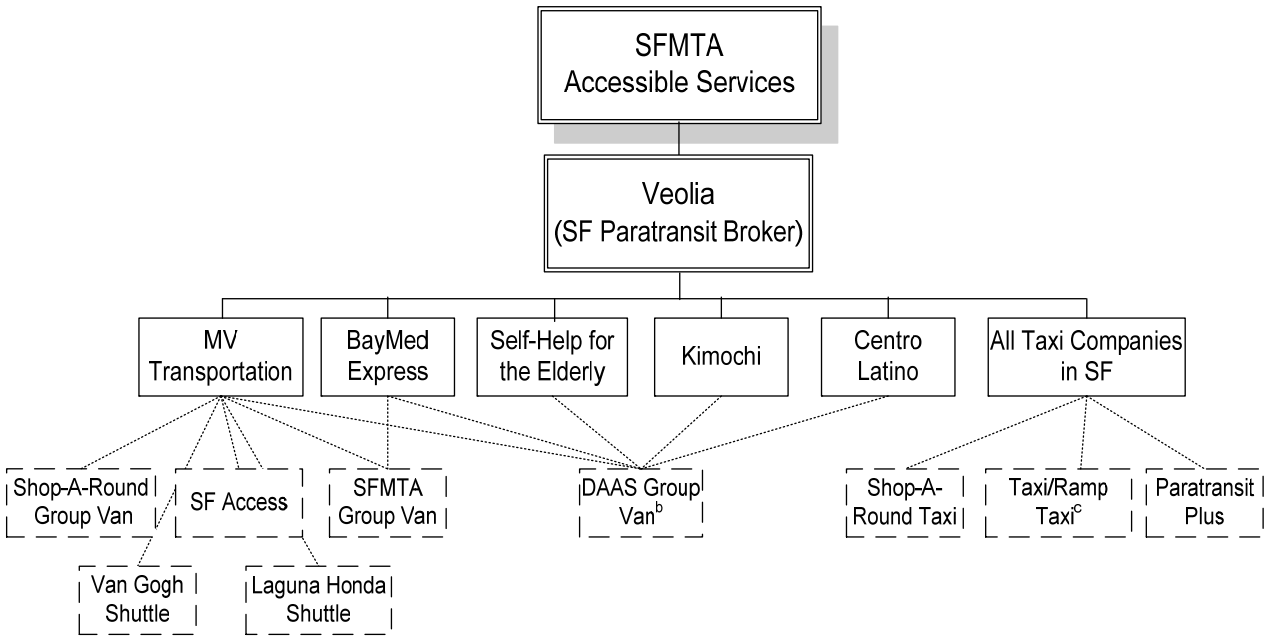
- Developing procedures for daily operations and adhering to reporting and record retention requirements.
- Controlling the budgeted resources and ensuring fiduciary control of funds collected.
- Providing qualified and skilled staff in accordance with contract requirements.
- Managing the delivery of services performed by subcontracted providers through competitive selection and effective monitoring practices.

SF Paratransit services are operated by subcontracted providers.

Similar to other public transit agencies that provide paratransit services nationally and regionally, Veolia contracts for the delivery of all paratransit services with local transportation providers or social services agencies (service providers). As its contract with SFMTA requires, Veolia selected five service providers to operate the SF Access, Group Van, and Shop-A-Round services and established contracts with qualifying taxi companies in San Francisco to provide paratransit taxi services.

Exhibit 5 shows the contractual relationships between SFMTA, Veolia, and its service providers.

EXHIBIT 5 **Contractual Relationships of Organizations Involved in San Francisco's Paratransit Services**[a]



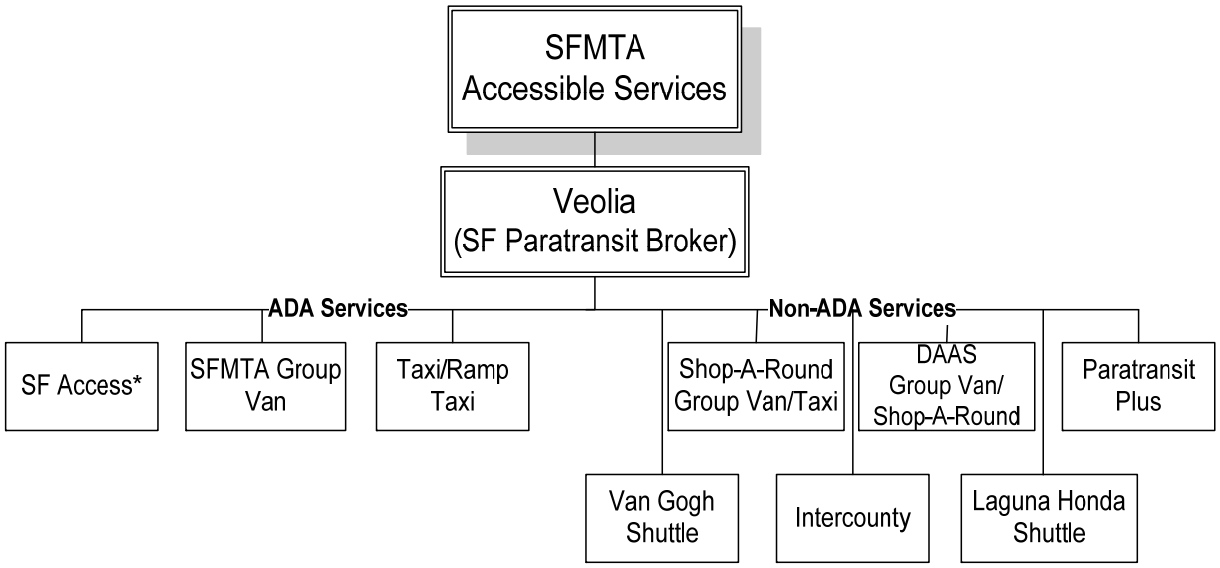
Notes:
[a] Excludes intercounty services, which represented an average of less than 1 percent of all passenger trips in fiscal years 2011-12 through 2012-13.
[b] DAAS – Department of Aging and Adult Services
[c] Not all taxis are equipped with wheelchair-accessible ramps.

Source: SFMTA and Veolia

SF Paratransit offers a variety of service modes, most of which are not required by ADA.

The key component of paratransit services in San Francisco is SF Access, the only mode of service that ADA requires SFMTA to provide. However, SFMTA has opted to provide other service modes as part of SF Paratransit, some of which qualify as ADA services, while others do not. Exhibit 6 shows the various ADA and non-ADA services provided by SF Paratransit.

EXHIBIT 6 Overview of Services Provided by SF Paratransit



*Note: SF Access is the only ADA-mandated mode of service required to be provided by SF Paratransit.

Source: SFMTA and Veolia

Exhibit 7 briefly describes the services provided by SF Paratransit.

EXHIBIT 7 Description of Services Provided by SF Paratransit

Service Type	Paratransit Service	Description of Service
ADA	SF Access	• Complementary paratransit service to SFMTA's Muni fixed-route system. • Scheduled, door-to-door shared ride service for ambulatory[a] and wheelchair[b] passengers.
ADA	SFMTA Group Van	• Subscription, scheduled, shared-ride service for group programs typically held at social service agencies, such as adult day health care. Ambulatory and wheelchair services are provided, with the exception of stair-assist passengers.
ADA	Taxi/Ramp Taxi	• Metered curb-to-curb taxi service provided to existing SF paratransit customers or new enrollees with qualifying circumstances, such as wheelchair users who need ramp taxi service, seniors age 80 or older, or individuals who need dialysis. • Offers convenience for individuals who prefer same-day scheduling as opposed to scheduled trips.
Non-ADA	Shop-A-Round (Group Van/Taxi)	• Grant-funded program for seniors and others with disabilities that live in designated neighborhoods and have limited access to grocery shopping opportunities. • Group van and taxi modes offered.
Non-ADA	Van Gogh Shuttle	• New program for seniors and individuals with disabilities to travel to opera, theater, and other group-related activities.
Non-ADA	Department of Aging and Adult Services (DAAS) (Group Van/Shop-A-Round)	• Group van and Shop-A-Round services offered through separate arrangement between DAAS and SFMTA Accessible Services to fund and provide rides to seniors in San Francisco. • All rides are DAAS-specific and are not to be mixed with SFMTA services.
Non-ADA	Intercounty	• Direct regional paratransit service available for customers traveling between San Francisco and the East Bay or Marin County.
Non-ADA	Laguna Honda Shuttle	• Weekend shuttle service between Forest Hill Muni station and Laguna Honda Hospital.
Non-ADA	Paratransit Plus	• Taxi service program for those ineligible under ADA but who demonstrate a high level of difficulty in using fixed-route public transit.

Notes:
[a] Ambulatory refers to individuals who do not use wheelchairs or scooters.
[b] Wheelchair refers to individuals who use wheelchairs or scooters and need lift-assisted service and "stair-assist," which refers to wheelchair users who must be transported up and down exterior stairs.

Source: Auditor's analysis of information from Veolia

The process of providing ADA paratransit services

The purpose of paratransit service is to provide complementary transportation service to individuals eligible for ADA paratransit to travel from their origin to their destination.[4] To do so effectively, routing and scheduling functions are essential. Appendix C summarizes the process for the three ADA paratransit services, from reservation, through scheduling, pick-up, and drop-off.

ADA paratransit requirements

ADA requires that every public entity operating a fixed-route transit system offer complementary services to individuals with disabilities that are comparable to the level of service provided to the general public without disabilities who uses the fixed-route system.[5]

Veolia must perform paratransit outreach.

SFMTA's paratransit broker agreement with Veolia includes outreach tasks. Veolia is required to educate prospective users of paratransit services to increase the awareness of ADA paratransit services in the community, with particular attention to underserved populations, which include persons with limited English proficiency.

Veolia is responsible for enforcing ADA eligibility requirements.

San Franciscans who wish to apply for paratransit services may request an application by contacting Veolia by mail, phone, in person, or via the Internet. Applications can be submitted by mail or in person.

Veolia administers SFMTA's user certification and recertification process for applicants and determines eligibility based on ADA paratransit eligibility standards. According to Veolia's eligibility requirements for paratransit service, which are based on ADA paratransit requirements, an applicant must be in one of the following categories:

- Cannot use the fixed-route system. Applicant is unable to independently board, ride, or disembark from an accessible Muni bus, train, streetcar or a Bay Area Rapid Transit (BART) train some or all of the time.

- Cannot access the fixed-route system. Applicant is functionally able to independently navigate, board,

[4] 56 FR 45621. (Sept. 6, 1991) and 49 CFR. §37.129.

[5] 56 FR 45621. (Sept. 6, 1991) and 49 CFR. §37.121.

ride, and disembark from an accessible Muni or BART vehicle, but there are no accessible vehicles on the route providing service to a particular destination. Riders in this category must use accessible Muni or BART routes/vehicles whenever they are available.

- Cannot get to or from the fixed-route system. Applicant has a specific impairment-related condition that prevents him or her from traveling to or from a bus stop or rail station some or all of the time.

Veolia's eligibility analysts

Veolia employs ADA paratransit eligibility analysts to review, assess, and process all new and recertification paratransit applications to determine eligibility based on the categories above. The eligibility analysts are to review applications for completeness and determine the next steps to reach an eligibility determination, which can include the need for a health professional's verification, a telephone interview, or an in-person interview of the applicant.

Exhibit 8 shows the paratransit eligibility statistics for fiscal year 2012-13.

EXHIBIT 8 **Paratransit Eligibility Summary Fiscal Year 2012-13**

	New Applicants	Percentage	Recertifying Applicants	Percentage	Totals	
Applicants	2,818	-	2,483	-	5,301	-
Approvals[c]	2,621	93%	2,430	98%	5,051	95%
Denials	186	7%	53	2%	250[a]	5%
Second-level Assessments	-	-	-	-	4,222[b]	-

Notes:
[a] Includes 11 secondary denials, which are excluded from the new and recertifying applicant categories.
[b] Includes both new and recertifying applicants. The contract requires that at least 90 percent of new applicants must receive a second-level assessment, while at least 30 percent of applicants applying for recertification must receive this type of assessment.
[c] Includes approvals for both full and conditional eligibility. Full eligibility means that a patron has a permanent disability. Conditional eligibility means that a patron has a non-permanent disability.

Source: Auditor's analysis of Veolia data

Paratransit eligibility process

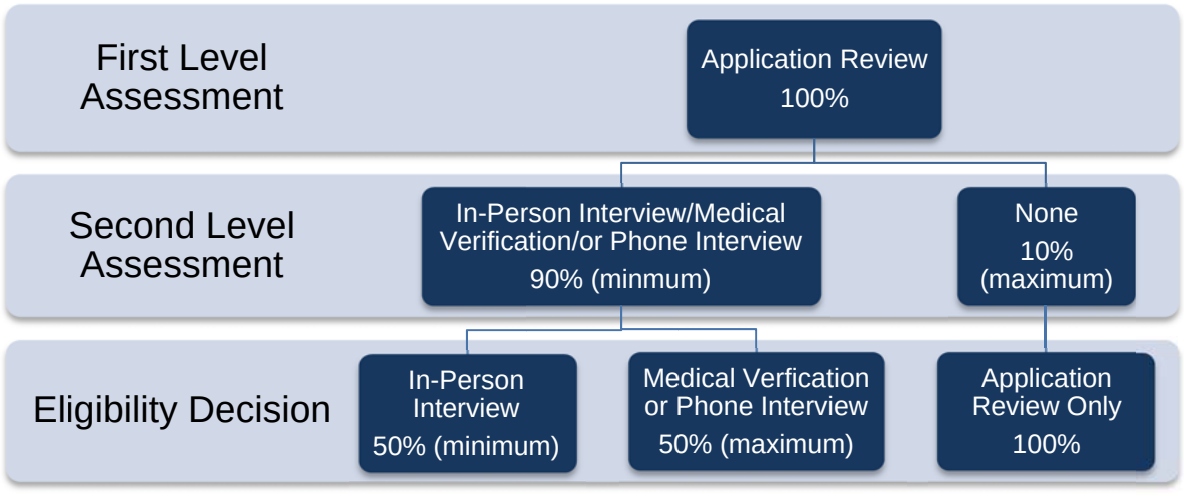
Applications for paratransit services go through an eligibility process that starts with a first-level assessment in which a Veolia eligibility analyst assesses eligibility based on the applicant's responses to the application questions. Also, as required by the contract, Veolia must:

- Conduct second-level assessments for a minimum of 90 percent of new applicants. Half of the applicants receiving a second-level assessment must be interviewed in person.
- Conduct second-level assessments for a minimum of 30 percent of applicants applying for recertification.
- Ensure that the eligibility process is compatible with SFMTA policies and procedures governing the SF Paratransit program.

The second-level assessment consists of either a medical verification form sent to the applicant's medical provider, a phone interview, or an in-person interview with an analyst.

Exhibit 9 shows the eligibility process for new applicants.

EXHIBIT 9 **Eligibility Screening Process for New Applicants for Paratransit Services**



Note: This exhibit only applies to new applicants.

Source: SFMTA contract with Veolia

SF Paratransit uses the Trapeze system for routing and scheduling, complaint tracking, and client data management.

Veolia uses the Trapeze-PASS Version 8 (Trapeze) software system for paratransit operations. According to Veolia, Trapeze was implemented in phases, beginning in 2008, and fully launched in February 2010. The Trapeze system includes certification and complaint modules. Together, the system is used for paratransit routing and scheduling, complaint tracking, and client data management.

Trapeze interfaces with the Debit Card Central System for taxi paratransit services.

Trapeze interfaces with the Debit Card Central System (DCCS) for taxi paratransit services. Veolia staff enters and modifies all patron information in Trapeze. According to Veolia, DCCS was implemented in 2009 to replace the paper scrip coupons used by taxi companies for paratransit services and to improve the billing and data collection functions.

DCCS is intended to:

- Increase convenience to patrons by use of a debit card instead of paper coupons.
- Reduce the potential for fraud.
- Automate the data collection process for taxi drivers and companies through the In Taxi Equipment (ITE),[6] which records the fare amount and location information.
- Improve the overall efficiency of revenue collection and processing.

Appendix D shows the high-level interface between Trapeze and DCCS.

Trapeze interfaces with Mobile Data Computers.

Trapeze also interfaces with equipment other than DCCS, such as the Mobile Data Computers (MDCs), which are portable, on-board computers that are mounted in paratransit vans. The MDCs are installed in 120 vehicles as Veolia continues testing the accuracy of data captured and the efficiency of the process before full implementation. The use of the MDCs is intended to improve the accuracy of trip data reporting by reducing manual entry of data, thereby improving the operational efficiency and the overall quality of service to paratransit customers.

[6] In Taxi Equipment, hardware installed in all San Francisco taxis, accepts the paratransit debit card for fare payment.

Approximately 800,000 paratransit trips are made in San Francisco yearly.

Veolia provided 810,663 passenger trips[7] in fiscal year 2011-12 and 777,324 trips in fiscal year 2012-13. ADA service trips were 88 percent of all paratransit trips provided by Veolia in fiscal year 2012-13, while 12 percent were for non-ADA services. Exhibit 10 shows the number of trips provided in the two years.

EXHIBIT 10 Passenger Trips Provided by Paratransit Service Type Fiscal Years 2011-12 and 2012-13

Service	Passenger Trips			
	FY 2011-12	Percentage	FY 2012-13	Percentage
Taxi/Ramp Taxi[a]	312,067	38.5%	277,761	35.7%
SF Access[a,b]	207,763	25.6%	219,278	28.2%
SFMTA Group Van[a]	223,897	27.6%	211,148	27.2%
Shop-A-Round Group Van	1,320	0.2%	3,197	0.4%
Shop-A-Round Taxi	810	0.1%	2,758	0.4%
Van Gogh Shuttle[c]	0	N/A	280	0.04%
DAAS Group Van	39,756	4.9%	36,396	4.7%
DAAS Shop-A-Round	7,168	0.9%	7,683	1.0%
Intercounty[d]	14,809	1.8%	16,269	2.1%
Laguna Honda Shuttle	3,073	0.4%	2,554	0.3%
Total	810,663	100.0%	777,324	100.0%

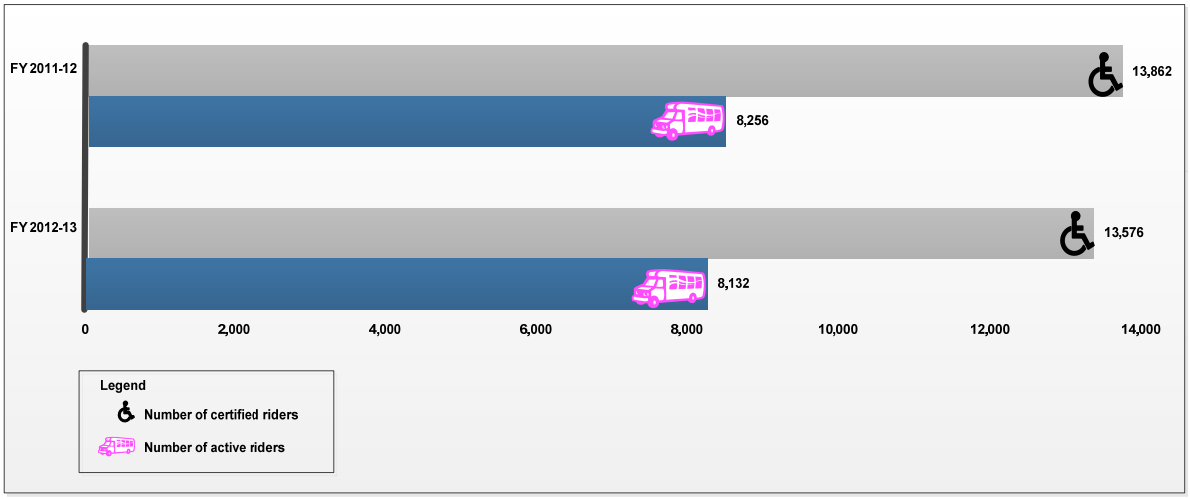
Notes:
[a] Taxi, SF Access, and SFMTA Group Van are ADA services and the remaining are non-ADA services.
[b] SF Access includes ambulatory and wheelchair trips.
[c] Van Gogh Shuttle started recording trips in November 2012.
[d] Intercounty includes trips performed by East Bay and Marin county service providers.

Source: Veolia reports

[7] A trip is defined as the transportation of a certified rider traveling from origin to destination.

Exhibit 11 shows the total number of certified and active riders in fiscal years 2011-12 and 2012-13.

EXHIBIT 11 Total Number of Certified[a] and Active[b] Riders Fiscal Years 2011-12 and 2012-13



Notes:
[a] Certified refers to individuals who have been determined eligible to participate in ADA paratransit services.
[b] Active refers to paratransit customers who have had at least one transaction in the last 12 months.

Source: Veolia reports

Veolia is entitled to receive a management fee of $837,307 over the course of the contract.

In fiscal years 2011-12 and 2012-13, SFMTA spent a total of $36.8 million for paratransit services, which represents an average of $18.4 million spent yearly. The contract provides for Veolia to receive a broker management fee in the amount of $837,307 over the contract's five-year term. Since the contract's April 2010 inception through January 2014, SFMTA had paid Veolia $602,118 in management fees.

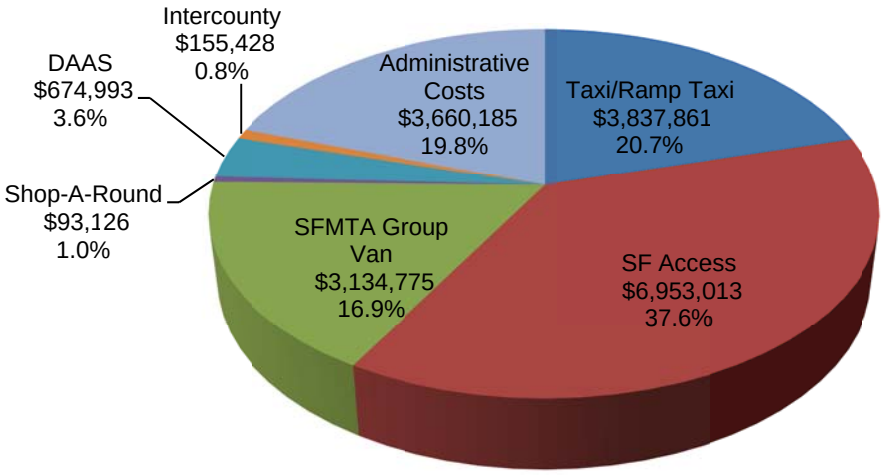
Veolia bills for its services monthly.

Each month SFMTA reimburses Veolia for administrative and operating expenditures and service costs for trips performed by subcontracted providers. Veolia submits a summary monthly invoice to SFMTA detailing the expenditures per service mode.

SFMTA receives paratransit funding from various federal, state, and local sources.

SFMTA receives funding from various federal, state, and local sources. These funds are used for operating and capital requirements of paratransit services. Exhibit 12 summarizes paratransit expenditures in fiscal year 2012-13.

EXHIBIT 12 **Paratransit Expenditures by Type [a, b, c]**
Fiscal Year 2012-13



Notes:
[a] Excludes Van Gogh and Laguna Honda Shuttle, which represent less than 0.5 percent of total expenditures.
[b] Administrative costs include labor, operating, and ramp taxi driver incentive program.
[c] Percentages do not add up to 100 percent due to rounding.

Source: Auditor's analysis based on Veolia's fiscal year reports to SFMTA

Objectives

The objectives of this audit were to determine whether:

1. SFMTA adequately ensures that the public receives safe and effective taxi service in San Francisco, consistent with the division's mission.

    a. SFMTA effectively receives, tracks, investigates, and follows up on taxi complaints.

    b. SFMTA's taxi driver permit process is effective to ensure that only well-trained, fully qualified drivers operate taxis in San Francisco.

2. SFMTA effectively manages its five-year, $118.6 million paratransit contract to ensure that eligible patrons receive safe, prompt, and high-quality service.

    a. SFMTA adequately manages its paratransit contract to ensure that only eligible persons receive service and that as many San Franciscans as possible who may be eligible for

paratransit know that it exists and how to apply for it.

b. SFMTA adequately ensures that paratransit services are safe.

c. SFMTA adequately ensures that paratransit services are prompt.

d. SFMTA adequately ensures that paratransit services are of high quality.

e. The debit card system for paratransit patrons using taxis is adequately secure and well-controlled to avoid misuse.

f. The costs that SFMTA pays under the paratransit contract are reasonable.

Scope and Methodology

The audit examined the current operations of SFMTA's Taxis and Accessible Services Division. To conduct the audit, the audit team:

- Reviewed key documents related to SFMTA's taxi and accessible services.
- Reviewed policy and procedures manuals related to taxi complaints, taxi driver permit processing, and paratransit services.
- Reviewed applicable laws and regulations regarding taxi and paratransit services.
- Surveyed seven other jurisdictions for relevant data related to taxi services and five other jurisdictions for relevant data regarding paratransit services.
- Interviewed key SFMTA and paratransit broker staff and management personnel to understand controls, procedures and common practices for taxi services and paratransit services.
- Analyzed trends in the numbers of new taxi drivers, taxi complaints, and paratransit services.
- Assessed the overall effectiveness of SFMTA's process for receiving, tracking, investigating, and following up on taxi complaints.

- Observed the taxi permit process, including a review of SFMTA's new taxi driver test and assessed its effectiveness.
- Reviewed the paratransit program's eligibility and outreach data and determined its effectiveness.
- Analyzed the paratransit program's records for safety, on-time reliability, and—through a review of paratransit complaints—quality of services to determine the adequacy of the data.
- Evaluated performance measures used for paratransit services incentives and disincentives.
- Reviewed user surveys on performance and service levels to assess user satisfaction with the paratransit program.
- Reviewed paratransit complaints to determine if they were adequately received, investigated, and resolved in a timely manner.
- Performed a high-level systems review of the Trapeze and Debit Card Central System used for the paratransit program.
- Reviewed Debit Card Central System data to identify trends, outliers, irregularities, and system usage.
- Tested a sample of paratransit invoices to verify accuracy.

Statement of Auditing Standards

This performance audit was conducted in accordance with generally accepted government auditing standards. These standards require planning and performing the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. CSA believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

CHAPTER 1 – SFMTA Must Better Manage Its Five-Year, $118.6M Paratransit Contract

Summary

SFMTA does not provide adequate oversight to verify whether Veolia ensures the delivery of safe, prompt, and high-quality paratransit services. Specifically, SFMTA does not:

- Verify whether Veolia ensures that its service providers have acceptable safety records.
- Adequately ensure that paratransit services are prompt.
- Have policies and procedures to ensure that complaints are adequately resolved.

Also, SFMTA does not verify support for monthly invoices and cannot ensure that all costs are valid. Further, SFMTA inadequately oversees the eligibility process so cannot be assured that only eligible patrons receive paratransit services. Last, SFMTA's contract with Veolia does not clearly define outreach activities and priorities.

Finding 1.1

SFMTA does not adequately ensure that paratransit services are safe, prompt, and of high quality.

SFMTA measures the delivery of safe, prompt, and high-quality paratransit services based on performance goals in its contract with Veolia. Each performance measure is associated with incentive payments that Veolia is eligible to receive, which is discussed in detail in Finding 1.3.

Finding 1.1.1

SFMTA does not ensure that Veolia verifies paratransit safety records.

Although its contract with SFMTA requires Veolia to ensure that service providers comply with safety requirements—which include driver training, vehicle maintenance, accident reporting, and insurance coverage—SFMTA does not verify that Veolia does this. Therefore, SFMTA cannot be assured that paratransit services are safe.

SFMTA does not verify whether Veolia ensures that its subcontractors have satisfactory safety records.

SFMTA does not verify whether Veolia ensures that its service providers have acceptable safety records. According to Veolia, it maintains current insurance coverage documentation for all providers and conducts spot checks during file audits[8] to ensure that providers maintain adequate documentation related to driver training based on accident and complaint reports, and insurance coverage. However, Veolia only conducted one file audit in 2013, and the documentation of the file audit is inadequate. It provides no evidence that Veolia reviews providers' insurance coverage. Also, the documentation primarily focused on retraining drivers. Last, the documentation of the audit is incomplete because Veolia only reviewed files for 5 out of 20 drivers on the list to verify dates of various trainings.

The contract between Veolia and the service provider performing SF Access paratransit service, MV Transportation, includes specific safety requirements. However, SFMTA does not verify that Veolia ensures the provider complies with the requirements.

The contract requires the provider to:

- Ensure that drivers and other related personnel participate in more than 62 hours of training before transporting passengers and take refresher training every two years after hire, as required under ADA regulations.

- Enroll in the California Department of Justice Live Scan programs. These include the background check program to ensure that all drivers have been cleared before being placed in service and the arrest notification program to ensure that the provider is notified if an arrest occurs after a driver is placed in service.

- Provide daily on-street supervision of drivers.

- Maintain adequate and current insurance coverage.

[8] In a file audit, Veolia visits the service provider's facility to review driver files.

- Comply with accident reporting requirements and procedures.

Other jurisdictions take extra measures to ensure safe delivery of paratransit services and adequate safety records.

According to SFMTA and Veolia, they have an established process for accident reporting, maintain constant verbal and written communication, and ensure they have adequate documentation detailing the accidents. This does not address all contract requirements as listed above. Other jurisdictions that provide paratransit services have additional processes and measures to ensure the delivery of safe paratransit services. Exhibit 13 provides an overview of such processes.

EXHIBIT 13 Paratransit Safety Oversight Processes Used by Other Jurisdictions

Jurisdictions	Process
King County, Washington	• Reviews service providers' current insurance based on renewal dates. • Requests loss run* reports from service providers. • Reviews and updates safety policies and procedures as necessary. • Monitors safety trends and discusses incidents regularly. • Participates in ongoing training and safety campaigns to resolve safety issues.
Washington, DC	• Installs in-vehicle camera technology. • Provides on-street supervision and vehicle readiness audits. • Establishes comprehensive protocols related to incident reporting and contract performance penalties. • Continuously monitors operations personnel.
Denver Regional Transportation District, Colorado	• Routinely reviews accident records. • Regularly meets with contractors to address safety concerns, which include following up on complaints and reviewing contractor safety protocols.
Los Angeles County, California	• Regularly monitors safety trends and ensures safety issues are addressed individually through coaching sessions. • Equips vehicles with camera technology.

*Note: Loss runs are reports provided by an insurance company to document claims activity on a policy.

Source: Auditor's benchmarking survey

Recommendations

The San Francisco Municipal Transportation Agency should:

1. Periodically inspect Veolia's safety records to ensure that they are adequate for each of the service providers.

2. Ensure that Veolia audits files more frequently than once a year and improves documentation of completed file audits.

Finding 1.1.2

SFMTA does not adequately ensure that paratransit services are prompt.

SFMTA relies on Veolia's on-time trip performance data but does not verify Veolia's calculations.

SFMTA adequately measures telephone call wait time, using a system-generated report, but relies on Veolia's reports of on-time trip performance that state the calculated performance measure and does not verify Veolia's calculations.[9] Because Veolia is eligible to receive incentive payments for on-time trip performance, SFMTA should verify the source data that Veolia uses to calculate these performance measures for the three ADA services.[10] Although Veolia did not earn incentive payments in fiscal year 2012-13 for meeting the on-time trip performance measure, SFMTA must ensure that it relies on valid data for these determinations.

SFMTA measures on-time trip performance on a systemwide level for the three ADA services: taxis, SF Access, and group vans. Each service has its own on-time trip performance criteria stipulated in the providers' contracts with Veolia. Exhibit 14 shows the on-time trip performance criteria for each service.

EXHIBIT 14 On-Time Trip Performance for ADA Services *(Measured In Minutes)*

Description	Taxi	SF Access	Group Van
On-time window	0-30	0-15	0-15
Late window[a] 1	31-59	16-30	16-30
Late window[a] 2	60+	31-59[b]	31-59[b]
Late window[a] 3		60+	60+

Notes:
[a] Late windows are part of Veolia's monthly reporting and are not listed in the contracts.
[b] Veolia's monthly report uses a late window of 31-60 minutes but it should be 31-59 minutes.

Source: Veolia's contracts with service providers and monthly report submitted to SFMTA

[9] This report uses "prompt services" to refer to telephone call wait time and on-time trip performance, both of which are subject to timeliness performance measures.

[10] The source data includes trip data downloaded from Trapeze and analyzed for SF Access and group van on-time trip performance and data from surveyed patrons for on-time taxi trip performance.

Veolia's process of collecting on-time taxi trip performance data is not statistically valid and, therefore, is insufficient.

Although SFMTA and Veolia have agreed on a method for determining on-time performance for taxi trips, the practice uses a very small sample size and is poorly documented. Veolia conducts a monthly telephone survey of approximately 30 taxi riders based on a system-generated list of recent trips. Taxi passengers are asked about their most recent taxi trip, including whether the taxi arrived on time or within the late windows identified in Exhibit 14. For July 2012 through October 2013, Veolia surveyed a total of 313 riders (a monthly average of 20), or only 0.13 percent of the 252,313 taxi trips provided.[11] The process of collecting data and the sample used (as a percentage of total trips) is inadequate. As a result, SFMTA is not assessing on-time trip performance accurately.

According to SFMTA, a former SFMTA statistician determined the appropriate number of taxi riders to survey. However, this was done nearly 15 years ago and may not be a sufficient sample for current taxi ridership. Based on current taxi and ramp taxi trip data and using a margin of error between 5 and 10 percent, statistical sampling would require that between 100 and 300 patrons be surveyed monthly.

Veolia's process for measuring SF Access on-time performance is adequate, but numbers of trips are not reconciled.

Because Veolia determines on-time performance for all SF Access trips performed in a given month, the audit concludes that this is adequate. However, Veolia does not reconcile the number of trips used to calculate on-time performance to the number of trips Veolia reports to SFMTA. As a result, Veolia reported 23,205 fewer trips to SFMTA for July 2012 through October 2013 than the total Veolia used to calculate on-time performance.[12]

According to Veolia, the discrepancy exists because the number of trips reported to SFMTA is based on invoices that have been adjusted for errors, not the uncorrected invoices that were originally submitted to Trapeze by the service providers.[13] Although SFMTA indicated it wants to keep track of on-time performance for all trips, Veolia

[11] Veolia could not provide on-time performance reports for taxi trips for September 2012 through January 2013 due to significant staffing changes. As a result, the audit's analysis excludes taxi trips during this period.

[12] Excluding one month for which data is missing.

[13] Service providers have 48 hours to enter and complete daily trip information into the Trapeze database.

should reconcile trip data in Trapeze to monthly reports sent to SFMTA to ensure that it accurately measures on-time performance.

Veolia's measurement of group van on-time performance is inadequate.

Veolia's process for measuring on-time performance for group van services is insufficient and inconsistent. Group van on-time performance is measured by the arrival time of the van at one destination, also considered a run. Veolia downloads arrival times from Trapeze and manually selects a sample of 100 to 200 runs from a population of approximately 2,000 runs each month to determine the numbers of runs that are on time and that fall into the late windows. Veolia surveyed an average of 7.4 percent of all group van runs during July 2012 through October 2013.[14] In October 2013 Veolia started collecting trip data from the MDCs[15] and has been testing its data accuracy by reviewing all runs as recorded in Trapeze. As later discussed in Finding 1.2.2, upon full implementation, the MDCs will help Veolia collect and analyze data more efficiently and more accurately.

Recommendations

The San Francisco Municipal Transportation Agency should:

3. Determine, in agreement with Veolia, an appropriate method for determining on-time performance for paratransit taxi trips.

4. Require Veolia to reconcile SF Access trip data in Trapeze to monthly reports sent to the San Francisco Municipal Transportation Agency to ensure that Veolia is accurately measuring on-time performance for SF Access.

5. Require Veolia to use data from the Mobile Data Computers, upon their full implementation, to calculate on-time performance for group van runs based on the entire population of runs recorded monthly.

6. Compare Veolia's calculations for measuring on-time trip performance to source data for taxi, SF Access, and group van services.

[14] Except for September 2012 and October 2013, for which Veolia reviewed on-time performance for all runs.

[15] Mobile Data Computer hardware installed in paratransit vans.

Finding 1.1.3

SFMTA must develop policies and procedures to ensure that paratransit complaints are adequately resolved in a timely manner to ensure high-quality service.

SFMTA does not verify that Veolia logs complaints in a timely manner, adequately resolves complaints, and reports accurate complaints data.

Veolia does not have a policy to ensure that complaints are logged when received.

According to Veolia, it does not have a policy to enter complaints into the Trapeze system's complaint module on the day they are received or within any specific period. This could cause some complaints to have shorter recorded and reported response times than the actual response times. As a result, SFMTA cannot be assured that Veolia or its service providers respond to all complaints within 14 days, as required.

Response times recorded in the system are used to ensure adherence to performance standards in both the contracts between service providers and Veolia and between Veolia and SFMTA. Under the contracts, both the providers and Veolia may be assessed liquidated damages for failure to comply with the timely complaint response requirements. Moreover, the practice of not recording complaints promptly also delays Veolia in responding to them.

Veolia inadequately follows up on complaint resolutions.

Veolia intends to conduct file audits of its service providers at least a few times a year as a way to follow up on complaint resolutions, but, as noted above, it only conducted one file audit in 2013. Of a sample of 24 complaints tested, 12 (50 percent) had resolutions stating that providers would give additional training or counseling to the identified drivers or other personnel or would make other changes to improve service delivery.

According to Veolia, it can only follow up on resolutions in which providers state a period for additional training or counseling, because other similar kinds of resolutions are difficult to measure. Only 3 of the 12 complaint resolutions indicated a timeframe to retrain drivers, Veolia did not follow up on the 9 remaining complaints, resulting in Veolia failing to hold providers accountable for assurances of improved service delivery.

Further, of the 3 complaint resolutions with retraining timeframes, 2 called for retraining that was to have occurred after the file audit was completed. For these 2 complaints, Veolia stated that it would include the drivers in its next file audit. For the 1 complaint resolution completed before the file audit, the driver was not added to the list of drivers to be reviewed. Veolia stated that this is because the driver was no longer employed by the provider at the time of the file audit. However, Veolia should have included the driver's retraining and separation dates in its file audit documentation.

SFMTA does not verify whether all complaint resolutions are adequately followed up on.

According to SFMTA, it does not review complaint resolutions except for those received from the Mayor's Office on Disability. As such, SFMTA cannot be assured that complaints received by Veolia are adequately responded to and resolved in a timely manner. Further, SFMTA cannot rely on Veolia's file audits to ensure that Veolia is following up on complaint resolutions because the file audit documentation is incomplete and insufficient.

SFMTA does not verify that it receives correct complaint response dates.

Veolia has been reporting incorrect complaint response dates to SFMTA, and neither SFMTA nor Veolia were aware of this. Because service providers must first provide complaint resolutions before Veolia reviews and approves them, the Trapeze system both tracks the date that the provider closed the complaint and the date that Veolia closed the complaint. Veolia's reports to SFMTA show that Veolia used the date that the provider closed the complaint in the system, which does not account for the additional days that Veolia uses to approve resolutions before actually closing the complaint.

After closing a complaint in the system, Veolia sends a complaint response letter to each complainant. According to SFMTA, because the performance measure in the contract states that complaints must be responded to within 14 days of receipt, SFMTA is more concerned with the date of the complaint response letter and prefers to use this date to measure Veolia's compliance.

Veolia needs to reconcile complaints data in the system to complaints data reported to SFMTA.

For 5 of the 16 months from July 2012 through October 2013, discrepancies exist between the number of complaints recorded in the Trapeze complaints module and the number of complaints reported to SFMTA. Veolia

reported 17 fewer complaints than it received, or 1.8 percent of the 969 complaints recorded for these 5 months. According to Veolia, the discrepancies for 2 of the 5 months are likely a result of manual data entry errors. The discrepancies for the remaining 3 months occurred because the monthly report did not include complaint counts for the Shop-A-Round taxi service. As a result, SFMTA received incomplete and unreliable complaints data. Although these discrepancies are insignificant, Veolia should ensure that all complaints tracked in the system are accurately reported to SFMTA.

Recommendations

The San Francisco Municipal Transportation Agency should:

7. Periodically review Veolia's process for tracking, investigating, and resolving complaints to ensure that complaints are promptly entered in the complaints tracking system and adequately resolved.

8. Ensure that Veolia records, tracks, and reports the date of the complaint response letter in future complaints reports.

9. Ensure that Veolia reconciles the complaints data recorded in the Trapeze system to complaints data manually entered into the monthly reports.

Finding 1.2

SFMTA pays $18.5 million in yearly paratransit costs but does not verify support and, therefore, cannot ensure that these costs are valid.

Because SFMTA does not verify Veolia's monthly invoices thoroughly, SFMTA may be paying incorrectly.

SFMTA does not receive and verify supporting documentation for an average of 79 percent of monthly invoices and, therefore, cannot ensure that all costs invoiced by Veolia are valid. In fiscal year 2012-13 SFMTA paid Veolia $18.5 million in paratransit costs, resulting in approximately $14.7 million of costs that were not reviewed and verified by SFMTA. Exhibit 15 shows paratransit expenditures by service in fiscal year 2012-13 and indicates the services that SFMTA reviews monthly.

EXHIBIT 15 **Summary of Expenditures by SFMTA Fiscal Year 2012-13**

Service	Reviewed Monthly[a]	Amount	Percent of Total Expenditures
SF Access	No	$6,953,013	37.5%
ADA Taxi/Ramp Taxi	No	3,837,861	20.7%
ADA Group Van	No	3,134,775	16.9%
DAAS Group Van	No	534,993	2.9%
Shop-A-Round Group Van	No	61,766	0.3%
Shop-A-Round Taxi	No	30,515	0.2%
Van Gogh	No	845	0.01%
Intercounty	No	155,428	0.8%
Laguna Honda Shuttle	No	22,632	0.1%
Ramp Taxi Driver Incentive Program	No	52,175	0.3%
SFMTA Broker	Yes	3,020,073	16.3%
Shop-A-Round Broker	Yes	25,021	0.1%
MDC Project	Yes	520,117	2.8%
DAAS Contribution	N/A[b]	140,000	0.8%
DAAS Broker	N/A[b]	42,799	0.2%
Total		**$18,532,013**	**100.0%[c]**

Notes:
[a] A *No* in this column indicates that SFMTA does not receive or review monthly support for all services (transportation costs). A *Yes* indicates that support for all services is reviewed monthly.
[b] DAAS Contribution and DAAS Broker are set percentage amounts established by SFMTA and DAAS, so no additional support is necessary for these amounts.
[c] Percentages do not add up to 100 percent due to rounding.

Source: Auditor's analysis based on contracts and Veolia report data

Finding 1.2.1

SFMTA does not thoroughly review the support for labor and other direct costs it receives monthly from Veolia.

SFMTA only receives support for labor and other direct costs and does not thoroughly review it.

Each month SFMTA receives supporting documentation for the SFMTA Broker, Shop-A-Round Broker, and MDC Project line items, which are all labor and other direct costs. However, SFMTA does not receive system-generated payroll support for labor costs and only relies on manually generated reports by Veolia. Also, some of the support received for other direct costs is insufficient and does not demonstrate proof of payment. As a result, SFMTA cannot ensure that labor and other direct costs are accurate and allowable.

SFMTA was overbilled $644.94 for 16 hours of labor by Veolia, which was not detected.

Errors exist for two months reviewed by the audit. Based on a comparison of supporting documentation from SFMTA and actual source documents from Veolia for all labor and other direct costs for June and October 2013, Veolia mistakenly overcharged SFMTA $644.94 for 16 hours of vacation and holiday pay. Veolia should not have invoiced SFMTA for these hours for Veolia's general manager. Veolia stated that it would reduce its next invoice to SFMTA by the overbilled amount. This overbilling went undetected, just as any similar overbillings that may have occurred would have gone undetected because SFMTA does not receive the system-generated payroll reports that would enable it to reconcile Veolia's billings to the labor invoice summaries submitted by Veolia.

Documentation for some other direct costs is insufficient.

Supporting documentation provided by Veolia for other direct costs was insufficient for $2,317 (1.7 percent) of the amount invoiced for other direct costs in the two months reviewed. Also, costs for power at an offsite facility dedicated for servers, amounting to $448 in October 2013, were not included in the documentation Veolia provided to SFMTA until the auditors requested it from Veolia. Exhibit 16 summarizes the categories of other direct costs that the audit identified to have insufficient documentation.

EXHIBIT 16 Insufficient Documentation for Veolia's Other Direct Costs June and October 2013

Other Direct Costs Category	Amount	Documentation Provided
Office Supplies	$1,813	Online shopping cart printout
Travel*	395	Broker expense report
Computer Supplies	109	Broker expense report
Total	**$2,317**	

*Note: Travel expenses in June 2013 include hotel, meals, tolls, train fare, and parking.

Source: Veolia monthly invoices to SFMTA and auditor's analysis of invoicing process and documentation

The contract includes two different amounts for the broker management fee.

The body of the Veolia's contract with SFMTA incorrectly states that the broker management fee is $674,277. The correct amount of $837,307 is stated in a contract appendix.

Recommendations

The San Francisco Municipal Transportation Agency should:

10. Require Veolia to submit underlying documentation for labor and other direct costs.

11. Thoroughly review supporting documents each month to ensure that labor and other direct costs are valid.

12. Amend the body of the contract to specify the correct broker management fee.

Finding 1.2.2

SFMTA does not receive or review support for paratransit transportation costs.

Payment for Trips Performed

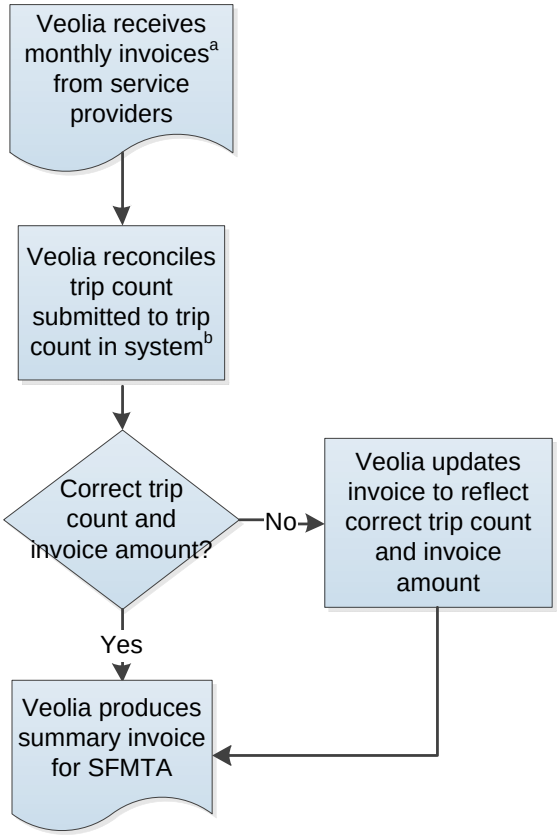
With the exception of taxi services that are based on metered fare amounts, payment for all other transportation services is based on an established flat rate per registered rider, on a one-way trip basis. SF Access and the ADA group van service also have different categories of payment for passengers who can be transported in sedans or vans and other rates for passengers who require accessible vehicles.

The contracts between Veolia and the service providers require drivers to complete daily trip manifests and obtain rider signatures or initials because providers may only invoice Veolia for trips actually made. Before invoicing SFMTA, Veolia verifies the final monthly count of trips by reviewing providers' trip manifests.

SFMTA does not frequently review support for transportation costs.

According to SFMTA, it occasionally reviews support for transportation costs but does so less often now because scheduling and trip tracking are mostly done electronically. However, because Veolia still heavily relies on daily trip manifests for its verification of trips, SFMTA must provide greater oversight to ensure that Veolia reviews and verifies support for transportation costs. Exhibit 17 is a flowchart of the invoicing process for trip transactions.

EXHIBIT 17 Trip Invoicing Process



Notes:
[a] Service providers also submit daily trip manifests for all but taxi trips.
[b] Veolia uses the Debit Card Central System to verify taxi trips and uses the Trapeze system to verify SF Access and Group Van trips.

Source: Auditor's analysis

Certain payments to providers may be adjusted.

SFMTA agreed to supply Veolia with vehicles for use in the paratransit program. Veolia collects monthly vehicle lease charges from the providers, which partially offset the payments made to them. Also, the contract allows Veolia to deduct liquidated damages and disincentives from payments due to providers, which would be reflected in the monthly invoice amount submitted by Veolia to SFMTA. Last, patrons may either purchase fare media[16] from Veolia to use as a form of payment or can pay cash at the same rate of $2 per registered rider. Any fares collected in cash are retained by the providers but deducted from monthly invoices submitted to Veolia.

[16] Fare media are tickets purchased by patrons at a rate of $2 for use with certain paratransit services instead of paying cash.

Taxi trips are adequately invoiced.

Since all taxi trips[17] and fare amounts charged by patrons with the paratransit debit card are tracked through DCCS, Veolia's process for verifying trips performed each month is straightforward. In fiscal year 2012-13 all taxi trips, which include regular sedan and ramp taxi services and Shop-A-Round taxi services, amounted to $3,868,376, or 21 percent of total expenditures. Based on a review of all taxi trips in October 2013, Veolia accurately invoiced SFMTA for these trips. However, SFMTA should still periodically review taxi trips as part of its contract monitoring oversight responsibilities.

Group van invoicing is adequately calculated but relies on a heavily manual system.

Although the audit found no errors in a sample of group van trips reviewed, Veolia's process for verifying these trips is heavily based on a manual process and, therefore, allows for potential human errors in recording the data, calculating the trips performed, and making payment adjustments before invoicing SFMTA. For example, in October 2013 Veolia mistakenly did not deduct the $455 in fares collected for Shop-A-Round group van services.

Veolia's verification process includes reviewing each daily trip manifest submitted by the service providers, manually counting the number of trips performed, and indicating which trips had ambulatory and wheelchair passengers. Also, Veolia must verify the number of canceled trips and number of trips that are considered no-show.[18] As explained later, the manual process of reviewing invoices, which may result in errors, will be reduced once the use of MDCs in paratransit vehicles is fully implemented.

Accuracy in group van invoicing is critical given the amount of money at stake. In fiscal year 2012-13 expenditures for all group van services, which include ADA group van, DAAS group van, and Shop-A-Round group van, amounted to $3,731,535, or 20 percent of total expenditures.

Veolia's process for invoicing SFMTA for SF

Unlike taxi and group van trips, Veolia verifies trips performed for SF Access based on an extrapolation.

[17] Taxi trips include regular taxi, ramp taxi, and Shop-A-Round taxi.

[18] SFMTA pays only for performed trips but uses the no-show and canceled trip data for monitoring purposes.

Access trips is based on an extrapolation.

According to SFMTA, it agreed to this process to save Veolia time. However, the contract between Veolia and the SF Access service provider states that Veolia will review each invoice and reconcile each to Veolia's records.

Veolia selects five days out of the month and reviews all daily trip manifests submitted for the selected days to count the number of trips performed, indicating which trips had ambulatory, wheelchair, and stair-assist passengers. Veolia also counts the number of no-show and canceled trips. Veolia then calculates an error rate based on the difference between the trip count submitted by the service provider and the final trip count confirmed by Veolia. The error rate is then applied to the total trip count submitted by the provider to deduct the extrapolated variance from the total number of trips submitted for the month. Veolia uses the final trip count to bill SFMTA.

According to Veolia, the error rate is always less than 1 percent. The audit confirmed this for trips invoiced in October 2013, finding that Veolia accurately calculated an error rate of 0.78 percent. Veolia deducted $1,461 (for 57 trips) from that month's final invoice amount billed to SFMTA, which amounted to $705,275.

In fiscal year 2012-13 total expenditures for SF Access services amounted to $6,953,013, or 38 percent of total expenditures, larger than the transportation costs for taxi and group van services. Using an extrapolated error rate to determine the number of trips to bill SFMTA for nearly $7 million per year in transportation costs is inadequate and presents the risk that SFMTA may be paying for trips that were not actually performed.

An SF Access sample showed one error out of 92 trips.

Based on the audit's sample of nine trip manifests from October 17, 2013—one of the five dates for which Veolia performed a complete count of trips and used as the basis to extrapolate all SF Access trips in October 2013—only one error was found. Of the 92 trips reviewed on the nine trip manifests, Veolia staff inaccurately counted 1 trip as no-show instead of as a completed trip. SFMTA and Veolia accurately described the process as lengthy and complex.

The use of MDCs should improve the trip tracking and invoicing process.

As mentioned in the Introduction, Veolia's providers have begun using MDCs that interface with the Trapeze software system in designated paratransit vans. Veolia reports that it is testing the accuracy of data captured through the MDCs and will be moving toward the use of MDC data for billing in the next few months. Through the use of the MDCs, Veolia and SFMTA anticipate the following benefits:

- Real-time trip data and schedule/manifest changes
- Vehicle tracking with global positioning software
- Increased capacity for providing back-up services and emergency dispatch assistance
- Instant communication with the driver and improved communication with the customer regarding pick-up time and driver location
- Better management of on-time performance
- Better management of fare collection information
- Increased efficiency and greater accuracy in processing invoices from service providers

SFMTA does not review support for more than $200,000 in other transportation and incentive payments.

SFMTA does not verify the support for non-ADA services offered by Veolia, for which SFMTA paid $178,905, or 1 percent of total expenditures, in fiscal year 2012-13. SFMTA also does not verify the support for ramp taxi driver incentive payments, which amounted to $52,175, or 0.3 percent of total expenditures, in fiscal year 2012-13. According to SFMTA, it relies on Veolia to verify support for transportation costs and to determine ramp taxi incentive payments, and does not further verify these calculations.

Recommendations

The San Francisco Municipal Transportation Agency should:

13. Periodically review support for transportation costs to ensure that Veolia accurately determines invoice amounts for trips performed.

14. Require Veolia to use data from the Mobile Data Computers, upon their full implementation, so it can completely and accurately verify SF Access trip transportation costs.

Finding 1.3 — SFMTA made $12,000 in incentive payments to Veolia in fiscal year 2012-13 without verifying support to ensure that Veolia earned these payments.

SFMTA may not be awarding incentives accurately.

SFMTA does not verify source data for determining Veolia's compliance with performance measures as outlined in the contract. SFMTA performs a quarterly incentive/disincentive review that relies solely on reports generated by Veolia.

SFMTA does not verify source data for on-time trip performance.

As discussed in Finding 1.1.2, SFMTA does not verify source data to determine Veolia's compliance with on-time trip performance. Veolia is eligible to receive $2,500 per quarter if it achieves on-time trip performance at or above 90 percent. SFMTA relies on Veolia's calculated on-time trip performance percentages and does not review the source data to ensure that these percentages were accurately calculated. Without verifying source data, SFMTA cannot be assured that Veolia is measuring on-time trip performance accurately.

SFMTA does no supervisory review of its staff's calculations for the incentive/disincentive review.

Moreover, SFMTA does no supervisory review of its own staff's calculations of on-time trip performance during the incentive/disincentive review. In two of the four periods reviewed, SFMTA inaccurately calculated the on-time trip performance measure across all three modes of transportation – taxi, SF Access, and group van. Although the errors did not result in incorrect incentive payments to Veolia, staff's calculations should be reviewed by a supervisor to ensure that SFMTA is accurately awarding incentives.

SFMTA insufficiently documents its incentive/disincentive review.

Based on the audit's incentive/disincentive review of Veolia for the four quarters from July 2012 through June 2013, SFMTA's reviews are insufficiently documented. For example, the safe performance goal requires that paratransit services maintain less than one Federal Transit Administration (FTA)-defined reportable incident[19] per 100,000 miles systemwide.[20] Veolia is eligible to receive an incentive payment of $1,000 per quarter if it meets the specified performance measure in every

[19] An FTA-defined reportable incident is an accident that results in a fatality confirmed within 30 days of incident, an injury requiring immediate medical attention away from the scene, or property damage equal to or exceeding $25,000.

[20] Systemwide refers to the ADA services of SF Access, Group Van, and Taxi/Ramp Taxi.

quarter reviewed. Because SFMTA found Veolia to have met this goal, Veolia received $4,000 in fiscal year 2012-13. However, SFMTA's memorandum to Veolia does not specify the calculated number of FTA-reportable incidents per 100,000 miles and only indicates whether it is less or more than one FTA-reportable incident.

The audit recalculated this measure for each period based on Veolia's monthly report and arrived at different rates of occurrences. Because all were still less than the required minimum number of one, this did not affect the incentive earned by Veolia. Nonetheless, SFMTA's incentive/disincentive review should be better documented to demonstrate how it determines whether Veolia achieved performance measures.

SFMTA inadequately gauges consumer satisfaction for the related performance measure.

SFMTA relies on just one rating, the overall broker satisfaction rating, to determine Veolia's compliance with the consumer satisfaction performance measure. The measure states that Veolia may receive incentive payments between $5,000 and $15,000 for receiving satisfaction percentage "ratings" (plural) between 85 percent and 100 percent on broker-related aspects of an annual independent survey. Because the survey includes multiple questions related to consumer satisfaction based on various interactions with the broker, relying solely on the overall rating does not reflect the range of broker-related questions included in the survey.

Exhibit 18 shows the range of broker-related questions in the survey.

EXHIBIT 18 Broker-Related Aspects Included in Annual Independent Survey

Description	Measure
Personal contact with the broker's office	• Reason for visiting • Satisfaction with service and assistance received
Telephone contact with the broker's office	• Reason for telephone call • Satisfaction with service and assistance received
Broker customer service attributes	• Length of time on hold before speaking to a customer service agent • Length of time waiting in the lobby for services • Courtesy of the customer service agent • Skill of the customer service agent in solving the problem
Broker satisfaction	• Overall satisfaction based on the following areas: o Certification of riders o Sale of debit card value o Quality control oversight of the SF Paratransit program o General information about the program

Source: 2013 Customer Satisfaction Survey of San Francisco Paratransit Brokerage, Corey, Canapary, and Galanis Research

Recommendations

The San Francisco Municipal Transportation Agency should:

15. Verify source data for all performance measures for which Veolia is eligible to receive incentive payments.

16. Perform supervisory review of staff's calculations for the quarterly incentive/disincentive review.

17. Expand what it considers in determining whether Veolia meets the consumer satisfaction performance measure to include all broker-related aspects in the survey, as stated in the contract, or amend the contract to reflect current practice.

Finding 1.4

SFMTA should strengthen internal controls over the eligibility determination process for paratransit applicants.

Because Veolia lacks sufficient written policies and procedures and adequate supervisory review of applications and determinations, therefore, SFMTA

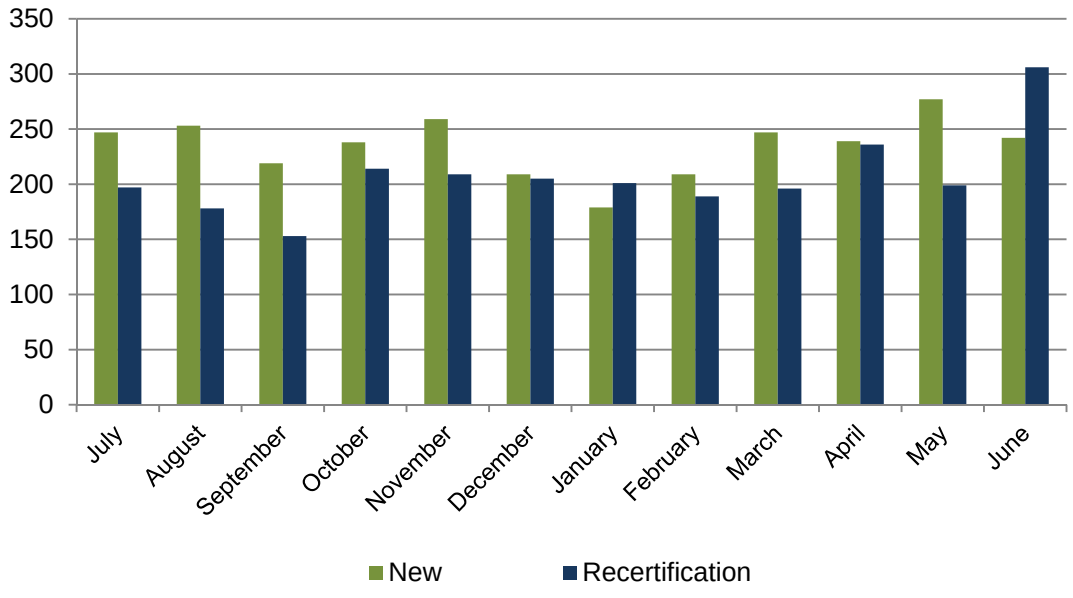
cannot be assured that Veolia adequately determines the eligibility of paratransit program applicants.

Veolia's analysts did not always sign certification documents.

Of a sample of 60 documents—30 certified eligible ADA Paratransit Eligibility Determination Summary Reports and 30 recertified eligible ADA Paratransit Eligibility Determination Summary Reports—processed by Veolia, 22 (19 certified and 3 recertified), or 37 percent, had no signature of a Veolia analyst or manager in the "Signature of Certification Analyst" section of the report. These reports had the name of the analyst typed in the signature section rather than a signature. Also, none of the tested reports indicated review by SFMTA division management or Veolia management. Without adequate review of Veolia's determinations, SFMTA cannot be assured that only eligible persons receive paratransit services.

In fiscal year 2012-13 Veolia received 5,301 applications from new and recertifying applicants. Exhibit 19 shows the number of San Francisco paratransit applicants by month.

EXHIBIT 19 **Paratransit Applicants Fiscal Year 2012-13**



Source: Auditor's analysis of Veolia data

Veolia has no formal policy requiring supervisory review of certification reports.

Neither Veolia nor SFMTA has established procedures, including a review process, to ensure that management verifies in writing its review of applications and ADA Determination Summary Reports.

According to Veolia management, no formal policies exist on supervisory review of approved paratransit applications or ADA Paratransit Eligibility Determination Summary Reports. Veolia management also noted that supervisors review approximately 10 percent of applications approved by Veolia analysts. Veolia management estimates that supervisors review about 15 applications per week.

Veolia uses informal procedures rather than written policies and procedures for the processing and management review of applications. Written policies and procedures would strengthen internal controls over the paratransit eligibility determination process.

The GAO's internal control standards for monitoring can be used as guidance.

According to the U.S. Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government*, control activities are important to an agency's planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results. The standards state that internal control should be designed to assure that ongoing monitoring occurs in the course of normal operations. Monitoring is to be performed continually and must be ingrained in an agency's operations. It should include regular management and supervisory activities, comparisons, reconciliations, and other actions.

Veolia lacks policies and procedures to determine second-level assessments.

Veolia does not have policies and procedures to determine which applicants must go through a second-level assessment. This could result in inconsistent practices among staff and increase the risk that eligible applicants are denied acceptance and that ineligible applicants will be accepted by the paratransit program.

According to Veolia management, Veolia analysts use their judgment (and have no formal process) to determine which applicants are required to go through a second-level assessment. Thus, analysts have no written basis for their decision on whether an applicant should go through a second-level assessment or is eligible for

certification after only a first-level assessment.

GAO's internal control standards state that components of internal control are the policies and procedures that are used to respond to risks in the internal control system. The standards state that management must develop the detailed policies, procedures, and practices to fit the operations of its organization and to ensure that these policies, procedures, and practices become an integral part of the organization's operations.

Recommendations

The San Francisco Municipal Transportation Agency should:

18. Require Veolia to have its analysts sign the ADA Paratransit Eligibility Determination Summary Report after approving or denying an application.

19. Implement a formal monitoring process over the eligibility determination process, which includes requiring Veolia to develop a written supervisory review procedure to add to the eligibility determination process.

20. Require Veolia to develop written policy and procedures for conducting first- and second-level assessments.

Finding 1.5

SFMTA should ensure that the paratransit broker agreement clearly defines outreach activities and priorities.

The contract between SFMTA and Veolia does not clearly define outreach activities and priorities.

Without clearly defined outreach activities and strategies in the broker agreement or adequate supporting documentation of the activities performed, SFMTA cannot adequately measure and monitor paratransit outreach activities and cannot ensure that outreach activities are targeted to appropriate populations and geographic areas in San Francisco.

Paratransit clients are concentrated in certain areas of San Francisco.

The distribution of paratransit taxi and van[21] pick-ups and the home addresses of active paratransit clients in fiscal year 2012-13 show that, although paratransit is used to

[21] Van pick-ups include SF Access, SFMTA group van, DAAS group van and Shop-A-Round group van.

travel to and from locations across San Francisco and by persons residing throughout the service territory, travel activity and client home addresses are concentrated in certain areas. Further, the mode used by clients (taxi or van) tends to differ by geography. For example, more than 55 percent of taxi pick-ups are in five zip codes (94115, 94109, 94103, 94110, and 94102). Van pick-ups are also concentrated but more evenly distributed, with the top five zip codes (94124, 94115, 94121, 94112, and 94122) accounting for 38 percent of pick-ups.

The concentration of pick-up locations may have multiple causes, including demographic variation among San Francisco zip codes, type of residence of client, and location of commercial areas and medical offices. Figure 1 and Figure 2 in Appendix E show the geographic distribution of taxi and van pick-up locations, respectively, by zip code.

Similarly, the geographic distribution of paratransit clients is concentrated in specific zip codes, with a difference in the relative concentrations of taxi and van clients. For taxi clients, the top five zip codes (94109, 94115, 94102, 94103, and 94110) account for 42 percent of clients, and for van clients the top five zip codes (94112, 94124, 94116, 94102, and 94109) account for 40 percent of clients. Figure 3 and Figure 4 in Appendix E show the geographic distribution of active paratransit van and paratransit taxi clients across San Francisco by zip code.

In some zip codes the percentage of paratransit clients is substantially different than the percentage of population for that zip code. Exhibits 20 and 21 show the number of paratransit clients and the population for each zip code. Blue bars indicate the number of clients, and green bars extending above the blue indicate a higher relative population than the number of clients for that zip code. For example, zip code 94112 (Ingleside/Excelsior/ Crocker-Amazon) has a lower concentration of taxi clients than its share of population, but a slightly greater share of van clients.

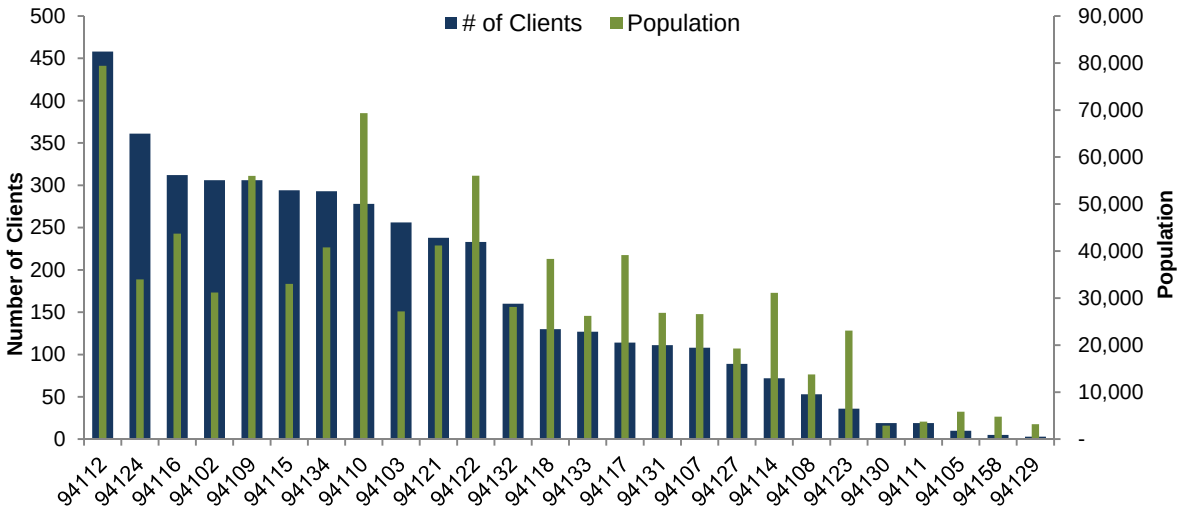
EXHIBIT 20 Active SF Paratransit Taxi Clients by Zip Code



*Note: San Francisco zip codes only

Source: Auditor's analysis of SFMTA and Census 2010 data

EXHIBIT 21 Active SF Paratransit Van Clients by Zip Code



*Note: San Francisco zip codes only

Source: Auditor's analysis of SFMTA and Census 2010 data

The broker agreement requires Veolia to provide 20 information sessions/workshops yearly to community-based agencies to assure awareness and understanding of the paratransit program. The agreement also states that Veolia should:

- Develop an annual newsletter for consumers that provides paratransit services summaries, news, and information, to be disseminated to paratransit customers and group van agencies.

- Distribute a *Community in Motion* video to appropriate community-based organizations and the public library and make the video available to applicants and potential applicants.

Veolia exceeded the required 20 outreach events.

According to SFMTA, Veolia exceeds the yearly 20-session minimum outreach requirement and provided supporting documentation of its outreach. To illustrate this, SFMTA provided CSA with a list of 136 outreach events conducted by Veolia during July 1, 2012, through December 12, 2013. Of the 136 outreach activities, CSA reviewed 20 (15 percent) and found little supporting documentation to show that the activity aligned with the tasks outlined in the broker agreement. For example, no record of attendance was kept for 18 (90 percent) of the 20 events. Also, of the 136 events, 25 (18 percent) were taxi driver training sessions rather than outreach activities.

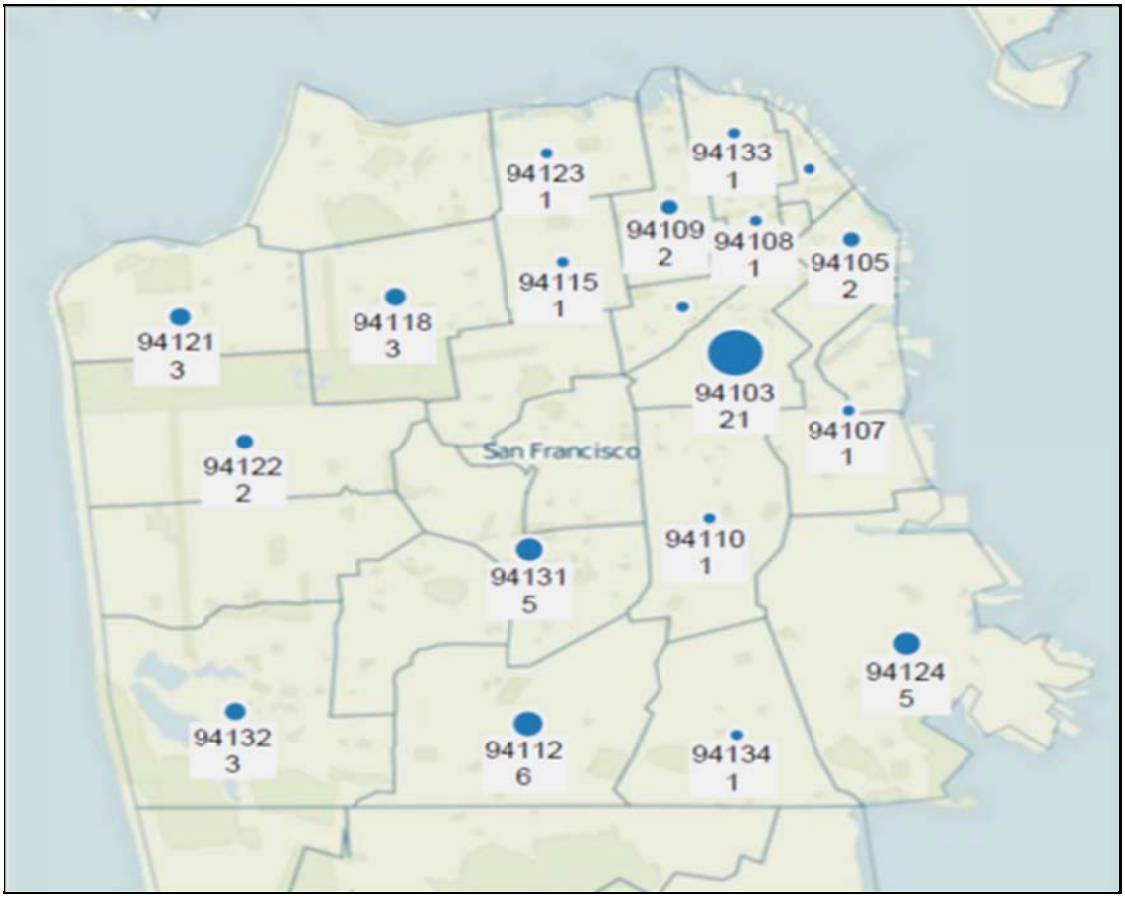
One-third of paratransit outreach events were held in the South of Market area, while few or none were held elsewhere.

To examine the location of true paratransit outreach events held in fiscal year 2012-13, CSA excluded taxi driver trainings, bicycle outreach events, PCC[22] and PCO[23] board meetings, foreign visitor outreach events, and SFMTA Centennial celebration events, which left 61 outreach events held in San Francisco. Of these 61 events, 21 (34 percent) were held in the South of Market area (zip code 94103). Far fewer events were held in the City's other neighborhoods, with some areas having no outreach events. For example, in 12 zip codes, only 1 or 2 events were held, and no events were held in 7 zip codes where pick-ups occurred. Exhibit 22 shows the geographic distribution of outreach events held in San Francisco by zip code.

[22] PCC – Paratransit Coordinating Council

[23] PCO – Paratransit Coordination and Operation, a subcommittee of the PCC

EXHIBIT 22 **Location of Outreach Events in San Francisco by Zip Code Fiscal Year 2012-13**



Source: Auditor's analysis of SFMTA data

SFMTA no longer asks Veolia to perform some contract-required outreach tasks.

Due to a shift in SFMTA's priorities, Veolia is no longer required to perform some outreach tasks specified in the contract. According to SFMTA, Veolia no longer must produce the annual newsletter or distribute or make available the *Community in Motion* video. SFMTA further noted that the video was produced more than ten years ago. These responses indicate that SFMTA's broker agreement no longer accurately represents the tasks that Veolia must perform.

Recommendations

The San Francisco Municipal Transportation Agency should:

21. Revise the outreach and related tasks in the paratransit broker agreement to reflect agency priorities and ensure that outreach activities are targeted to appropriate populations and areas of San Francisco.

22. Monitor Veolia's outreach efforts to ensure that all outreach tasks are accomplished and proper supporting documentation is maintained.

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CHAPTER 2 – Veolia's Paratransit Information Technology Systems Should Be Better Secured to Avoid Misuse

Summary

Veolia lacks effective information technology (IT) controls to ensure that the Trapeze system and Debit Card Central System (DCCS) are secure and well-managed. Veolia's IT department does not conduct a periodic and comprehensive user access review of Trapeze or any review of DCCS access. Further, some users have inappropriate user access, and password controls should be improved.

Finding 2.1

Veolia does not frequently or thoroughly review user access to its Trapeze system or Debit Card Central System.

Veolia only reviewed user access to Trapeze once and did not do so at all for DCCS in a recent 20-month period.

Although Veolia's IT department has established a goal of reviewing user access every six months, during the period of May 2012 through January 2014, only one such review was conducted for Trapeze and none was conducted for DCCS. Infrequent or no user access reviews increase the vulnerability of data. System access reviews can detect unauthorized users and help safeguard data to prevent unauthorized access, including access that could allow malicious acts.

The one review that was done was inadequate.

Veolia's one user access review for Trapeze was insufficiently documented and inadequately conducted. Specifically:

- Veolia's IT department documents its user access review solely by e-mail. According to Veolia, it immediately deactivates user accounts based on current user lists submitted by the service providers' management but does not document this action.

- Of four user accounts for which closure requests had been made, two were still open eight months later, and Veolia had not detected this. The requests to close these two accounts were made

by service provider managers in May 2013, yet the accounts were still open in January 2014.

There are nearly 400 user accounts in the two systems.

Without proper documentation of user access reviews, Veolia inhibits its ability to investigate security violation incidents, if they occur. Also, Veolia cannot be certain that user access is removed promptly. This is critically important given that there are 233 user accounts in Trapeze and 160 user accounts in DCCS across multiple organizations.

Reviewing system user access is a recommended practice.

The National Institute of Standards and Technology (NIST) states that organizations should have policies for identifying account types, granting and removing user access, specifying and enforcing account privileges, requiring appropriate approvals, and regularly reviewing user access.[24] Further, access control policies and procedures should be evaluated regularly and well-documented.

Recommendation

23. The San Francisco Municipal Transportation Agency should require Veolia to regularly review current user access to the Trapeze system and Debit Card Central System, adequately document the process, and ensure that system access rights of users who no longer need access are immediately terminated.

Finding 2.2

Veolia's eligibility clerks have broad access to the Trapeze system and Debit Card Central System, creating the opportunity to grant eligibility and make changes to patrons' debit cards.

It is inappropriate that Veolia's eligibility clerks have edit access, which increases the risk of erroneous or fraudulent eligibility determinations.

All staff in Veolia's certification unit, which is responsible for all eligibility-related functions, have the same user access permissions to both Trapeze and DCCS. Giving eligibility clerks edit access to both systems is unnecessary and inappropriate.

The jobs, and duties of each, in the certification unit are as follows:

[24] NIST, *Recommended Security Controls for Federal Information Systems and Organizations,* special publication 800-53, revision 3, August 2009.

- Manager of certification/eligibility programs – One position. Oversees the ADA eligibility process and supervises and supports the certification unit.

- Eligibility analyst – Four positions. Accepts and reviews paratransit eligibility applications and determines eligibility.

- Eligibility clerk – Two positions. Supports the work of the eligibility analysts. Accepts and logs applications, schedules appointments, and enters patron information into Trapeze.

- Eligibility filing clerk – One part-time position. Scans and files eligibility documents.

- Eligibility taxi allotment[25] clerk – One part-time position. Accepts, logs, and processes requests for taxi patrons' monthly allotments.

- Photo identification clerk – One position. Schedules appointments, creates paratransit identification and debit cards, and collects payments.

The broad access to systems allows certification unit employees, excluding the filing and taxi allotment clerks, to edit patron records in Trapeze. Eligibility clerks have edit access, which is contrary to their job description because it allows them the opportunity to grant eligibility. Moreover, Trapeze lacks additional controls to prevent eligibility analysts from using another employee's initials to grant eligibility in the system. This demonstrates poor user access controls by not defining user privileges according to clearly defined roles. Granting this access to employees who should not be making eligibility decisions increases the risk of erroneous or fraudulent eligibility determinations.

Eligibility clerks are to provide direct support to the unit's eligibility analysts. According to Veolia management, the system access granted to the clerks is purposeful because, due to Veolia's small staff, some duties and responsibilities overlap among employees regardless of

[25] Taxi allotment is the monthly amount allocated for paratransit taxi services based on patrons' eligibility.

their job descriptions, so all these employees need the user access required to fulfill these duties.

Further, the same certification unit employees (all staff except filing and taxi allotment clerks) have the same edit access to DCCS, so they can change certain patron debit card information. These edit functions include the ability to:

- Activate or deactivate a patron debit card.
- Add, change, or remove a patron debit card's expiration date.
- Replace a patron debit card if it is reported lost or stolen.

Restricting access privileges to only those needed to perform assigned job duties represents a strong IT control and reduces the risk of erroneous or fraudulent eligibility determinations or modifications of data in the systems.

Veolia uses an unreliable, manually prepared user rights report instead of a system-generated report.

Although Trapeze records user activities to monitor system use and information access, Veolia has not established a process for regularly reviewing this system-recorded information. Instead, Veolia relies on a manually prepared report to monitor user accounts, security groups, and functions, which is unreliable and should not be used. According to Veolia, it uses the manually prepared report because it cannot generate a report from Trapeze that organizes the information similarly to how it is shown in the existing report. Trapeze could be made to run such a customized user access report but, as it is installed at Veolia, the software does not have this ability.

The misuse of user access rights may potentially affect eligibility determination, which, as explained in Chapter 1, is a process that is already weakened by a lack of written policies and procedures.

Recommendations

The San Francisco Municipal Transportation Agency should:

24. Require Veolia to restrict users' access to the Trapeze system and Debit Card Central System in

accordance with their job duties.

25. Require Veolia to use a reliable, system-generated user access report to review and monitor who has access to the Trapeze system.

Finding 2.3 **Veolia has inadequate password-protection controls for its paratransit systems.**

Veolia does not ensure that Trapeze and DCCS users' passwords are changed periodically to enhance password security. DCCS requires user passwords to be at least six characters (letters, numbers, or symbols) but only requires users to change their passwords the first time they log in, which is a weak control. Worse, Trapeze does not require passwords to meet any character requirements that would enhance password security and, like DCCS, does not require routine password changes.

Without an appropriately restricted, well-developed, adopted, and disseminated password policy for Trapeze and DCCS users to adhere to, Veolia increases the risk of unauthorized users being undetected, unnecessarily jeopardizing the integrity of data in the systems.

It is recommended[26] that strong passwords should:

- Be eight characters or more, and be a combination of upper case and lower case letters, numbers, and special characters.
- Be changed automatically every 90 days or at some other regular interval.
- Not be stored in an insecure and easily accessible location.
- Be terminated immediately upon an employee's departure from an organization.
- Have a minimum of login attempts before a user account is locked.

[26] Information Systems Control Journal, *What Every IT Auditor Should Know About Access Controls,* 2008.

Recommendation

26. The San Francisco Municipal Transportation Agency should require Veolia to develop, implement, document, and communicate a password standard in the Trapeze system and Debit Card Central System that incorporates industry best practices such as complexity standards (for example, minimum length of eight characters, mix of alphabetical and numeric characters) and a policy that passwords will expire after a reasonable duration.

CHAPTER 3 – SFMTA Must Strengthen Controls Over Its Taxi Complaint and Taxi Driver Permit Processes

Summary

The SFMTA's Taxis and Accessible Services Division (division) has no reliable count of taxi complaints received, investigated, or resolved. This is the result of the division not logging all taxi complaints received and inadequate written policies and procedures to consistently and reliably log, track, investigate, and resolve taxi complaints. Also, SFMTA's taxi complaint tracking system is insecure and susceptible to unauthorized access. Further, the use of an outdated Cabdriver Waybill Request form hinders the division's ability to investigate or substantiate taxi complaints.

SFMTA's taxi driver permit process lacks supervisory review and standardized written policies and procedures to adequately ensure that only qualified drivers operate taxis in the City. Also, SFMTA does not:

- Verify that all taxi driver health prerequisites are met.
- Update and properly safeguard taxi driver tests.
- Properly secure the taxi driver permit database.
- Ensure that all taxi drivers have an active SFMTA taxi driver's permit.

Finding 3.1

SFMTA does not consistently log, track, investigate, or follow up on taxi complaints, which results in unreliable performance data.

SFMTA lacks a reliable and accurate count of taxi complaints due to outdated and inadequate written policies and procedures for the taxi complaints process, which may inhibit the division's ability to investigate and promptly resolve taxi complaints. Inadequacies in SFMTA's taxi complaint process prevent the agency from correctly assessing trends in taxi complaints in San Francisco. Inaccurate taxi complaint data also prevents SFMTA from effectively compiling data for its performance measures, which inhibits its ability to

accomplish its mission to provide good customer service to the public. Also, SFMTA uses an insecure complaint tracking system and an outdated, inaccurate request form.

Finding 3.1.1

SFMTA's taxi complaint counts are unreliable due to a lack of monitoring by management and inadequate policies and procedures for complaint processing.

SFMTA's taxi complaint count is inaccurate due to inadequate policies and procedures.

SFMTA's count of taxi complaints is incomplete. The agency has partial or no data on taxi complaints received in 12 (50 percent) of the 24 months in fiscal years 2011-12 and 2012-13. The division receives taxi complaints from 311 Customer Service Center (311). 311 receives complaints via telephone or a self-service portal. Also, complaints are received through non-311 telephone calls or e-mails directly to SFMTA.

Division records show 1,406 taxi complaints for fiscal year 2011-12, but the division did not have data for complaints from 311 for three months. Division records for fiscal year 2012-13 show 677 complaints, but eight months had neither 311 nor non-311complaints reported, and another month lacked records of non-311 complaints.

Exhibit 23 details the number of recorded taxi complaints per month for each of the fiscal years.

EXHIBIT 23 SFMTA Taxi Complaints Fiscal Years 2011-12 and 2012-13

Month	Fiscal Year 2011-12	Fiscal Year 2012-13
July	122	116
August	118	Not available[b]
September	29	Not available[b]
October	68	Not available[b]
November	137	Not available[b]
December	578	Not available[b]
January	37	Not available[b]
February	149	Not available[b]
March	134	Not available[b]
April	14[a]	175[c]
May	4[a]	202
June	16[a]	184
Total	**1,406**	**677**

Notes:
[a] Records lack complaints received by 311.
[b] Records lack both 311 and non-311 complaints.
[c] Records contain only complaints received by 311.

Source: Auditor's review of SFMTA records

500 taxi complaints from 311 were closed without processing by SFMTA.

According to SFMTA, from August 2012 through February 2013, the sole employee responsible for tracking and receiving complaints was on leave. As a result, SFMTA requested 311 to close more than 500 complaints in its database that were opened before May 2013 without processing them.

SFMTA's records of taxi complaints do not match 311's records.

Multiple discrepancies exist between the number of taxi complaints received by SFMTA from 311 and the number of taxi complaints in SFMTA's records for fiscal years 2011-12 and 2012-13, mainly due to SFMTA not logging all complaints received by 311. The division could not provide an explanation for the discrepancies. Exhibit 24 illustrates the differences by fiscal year.

EXHIBIT 24 Discrepancies of Taxi Complaint Count

Fiscal Year	Number of 311 Complaints per SFMTA's System	Number of Complaints per 311 System	Difference
2011-12	1,273[a]	1,680	407
2012-13	669[b]	1,580	911
Total	**1,942**	**3,260**	**1,318**

Notes:
[a] No complaints data received by 311 for three months in SFMTA's records.
[b] No complaints data for eight months in SFMTA's records.

Source: Auditor's analysis of SFMTA and 311 Customer Service Center data

Only one employee handles taxi complaint processing.

According to SFMTA, one employee, a senior clerk, is responsible for processing taxi complaints. This clerk's duties include:

- Receiving complaints
- Logging complaint information into spreadsheets
- Requesting information from taxi companies
- Assigning complaints to the division's investigators for investigation
- Tracking complaint resolutions

No supervisor at SFMTA reviews the taxi complaint process.

SFMTA does not have supervisory review and policies for backup personnel in the event that the senior clerk is on leave. There is no supervisory review at any point in the taxi complaint process, from complaint intake to resolution, which increases the risk that taxi complaints are inadequately or inappropriately addressed. This risk is increased by the fact that only one SFMTA employee is responsible for logging taxi complaints and determining if investigations are warranted.

According to the U.S. Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government,* control activities that help ensure an agency's objectives are carried out include reviews by management.

SFMTA discovered a backlog of 150 unprocessed taxi complaints in 2013.

In November 2013 SFMTA identified a backlog of approximately 150 unprocessed taxi complaints dating back to May 2013. At that time SFMTA was only processing telephone complaints received by 311. The employee responsible for processing taxi complaints did not know that 311 also receives taxi complaints through a

self-service portal as well as by telephone. Unlike complaints received by 311 via telephone, the self-service portal function is an electronic form completed by citizens to file a taxi complaint through the 311 Web site.

SFMTA's taxi complaint processing policies and procedures are inadequate.

SFMTA has inadequate policies and procedures for taxi complaint processing. Management has not set clear policies for the handling of taxi complaints and the written procedures do not specify what information should be logged into SFMTA's internal tracking system. As a result, SFMTA cannot reliably and consistently receive, track, investigate, or resolve taxi complaints. Further, the lack of adequate policy and procedures results in SFMTA management being unable to use complete, reliable complaint data, which may negatively affect safety and reduce public trust.

Division staff responsible for receiving and entering taxi complaint information into the complaint tracking system do so inconsistently. Complaints are tracked on a series of spreadsheets rather than in an automated purpose-specific system.

A lack of guidance allows for inconsistent handling of taxi complaints.

A lack of clear guidelines and policies allows for inconsistent handling of taxi complaints, increasing the risk that similar taxi complaints may result in widely varying resolutions or disciplinary actions. The policies and procedures for handling complaints contain no systematic criteria to assess the severity of different types of complaints and, therefore, the staff handling complaints is left to determine whether each complaint warrants investigation by an investigator. If the staff reviews a complaint and determines no investigation is needed, the complaint is closed without investigation.

According to the division's management, different circumstances surround each complaint. Therefore, it would be difficult to have a standard policy for investigating and resolving of each type of complaint.

SFMTA's policies and procedures do not guide the complaint investigation process or disciplinary actions that may be taken against taxi drivers or companies. It is wholly up to the investigators' judgment to determine investigative steps and disciplinary resolutions, if any.

There is no central system to track taxi complaint resolutions.

Once a complaint is assigned to an investigator, there is no process to follow up on its investigation or resolution, which increases the risk that complaints are not resolved in a timely manner or remain unresolved. According to an SFMTA investigator, each investigator tracks his or her own investigations and resolutions because there is no central system to do so.

Other agencies use complaint tracking systems.

Six of the seven jurisdictions contacted for this audit use taxi complaint tracking databases—either customized or off-the-shelf software—to track taxi complaints. Exhibit 25 identifies the jurisdictions and describes the complaint tracking system of each.

EXHIBIT 25 Other Agencies' Taxi Complaint Databases

Agency	Database	Description
City of Chicago	Motorola Customer Service Request System	A dispatch database system that manages citizen requests from the first call to resolution.
City of Los Angeles	Taxi & Franchise Information System	An in-house database that is used to track complaints.
City of New Orleans	L.A.G.A.N	A system that manages complaints from receipt to resolution.
City of New York	Siebel (customized)	An off-the-shelf database tracking system that is customized for New York City's complaints.
San Diego County	Custom-made for Metropolitan Transit System	A customized database which complaints are opened, tracked, and resolved.
City of Seattle	Microsoft Access	A database software

Source: Auditor's benchmarking survey

An optimal complaint-tracking system should provide management with trends and performance data.

A central complaint tracking system would improve the compliant process by providing a comprehensive mechanism to track complaints from the point of receipt, to investigation, and finally to resolution, and provide—or, at least, allow for—trend analysis.

Recommendations

The San Francisco Municipal Transportation Agency should:

27. Revise and establish policies and procedures to standardize the taxi complaint process, including:

a. Clear procedures on receiving and logging taxi complaints.
b. Guidance on assessing whether a complaint warrants an investigation.
c. Guidance on assessing and prioritizing complaints that warrant investigation.
d. Policies and procedures that standardize the investigation process and possible disciplinary actions.
e. Standard follow-up procedures for open taxi complaints.
f. A method to track taxi complaint resolutions.
g. Procedures for supervisory review and backup personnel when staff is on leave to ensure that taxi complaint information is complete, accurate, and up-to-date.

28. Consider purchasing or developing a complaint tracking system to reliably assist the Taxis and Accessible Services Division in receiving, tracking, investigating, and following up on taxi complaints.

Finding 3.1.2

SFMTA does not obtain some video evidence because it uses an outdated, inaccurate Cabdriver Waybill Request form.

Some video evidence for taxi complaints is unavailable due to an outdated SFMTA request form that allows taxi companies too much time to respond.

SFMTA's outdated and inaccurate Cabdriver Waybill Request form hinders its ability to investigate and substantiate taxi complaints and potentially discipline taxi drivers and taxi companies by allowing the companies too much time to respond to SFMTA requests, possibly allowing continued poor customer service to taxi patrons and even jeopardizing public safety.

Once taxi complaints are received and recorded in the complaint tracking system, the SFMTA clerk decides whether a complaint warrants an investigation. If an investigation is warranted, the clerk contacts the taxi company, may request taxi driver information, and requests the video recording for the time of the incident if the clerk determines that a video recording could assist the investigation. According to SFMTA, all taxis in San Francisco are equipped with video recording systems; however, after 48 to 72 hours, depending on the taxi company, the previous footage is recorded over.

Recordings of the interior of the taxi can be extremely helpful during the investigation process. Without video evidence, it is much more difficult to substantiate or dismiss a complaint.

SFMTA allows taxi companies 72 hours to respond although a response is required in 24 hours.

According to the City's Taxi Rules and Regulations,[27] a response from taxi companies for any information request is required within 24 hours. However, SFMTA's information request form allows taxi companies 72 hours to respond. This form reflects a time when paper waybills were used instead of electronic waybills, and taxi companies needed more time to sort through the paper forms.

As a result of allowing taxi companies 72 hours to respond to information requests, according to division staff, approximately 70 to 80 percent of requests are unfulfilled because, according to the taxi companies, video footage has become unavailable due to being overwritten. As a result, complaints that may be valid cannot be sustained.

Recommendation

29. The San Francisco Municipal Transportation Agency should correct the Cabdriver Waybill Request form to require taxi companies provide video footage within 24 hours of requests.

Finding 3.1.3

SFMTA uses an insecure complaint-tracking system that could be tampered with without detection.

Unauthorized employees have access to the taxi complaint tracking spreadsheets.

The division's taxi complaint tracking system is insecure and creates a risk that data can be accessed and manipulated without being detected. SFMTA uses Microsoft Excel spreadsheets to log taxi complaints. These spreadsheets are insecure because they are stored on a shared computer drive that is accessible to all Taxi Services staff, some Accessible Services staff, numerous former employees, and several SFMTA information systems staff. This increases the risk that any division employee could alter, add, or delete complaint records.

[27] Article 1100: Regulation of Motor Vehicles for Hire.

According to the GAO internal control standards, access to resources and records should be limited to authorized individuals and accountability for their custody and use should be assigned and maintained.

According to SFMTA management, division staff (other than the spreadsheets' "owner") is instructed not to alter the spreadsheets, and the spreadsheets are not password-protected because other employees need to view or access the information when the spreadsheets' owner is absent.

Recommendation

30. The San Francisco Municipal Transportation Agency should secure the taxi complaint tracking spreadsheets by granting editing capability only to the employee(s) directly responsible for recording data in the spreadsheets. For all others, the spreadsheets should be read-only.

Finding 3.2

SFMTA's taxi driver permit process is inadequate and needs improvement. It does not ensure that only safe and qualified drivers operate taxis in San Francisco.

Due to numerous inadequacies in the taxi driver permit process, SFTMA cannot reliably ensure that only safe and qualified drivers operate taxis in San Francisco. Specifically:

- The taxi driver permit process lacks supervisory review to ensure that SFMTA staff accurately administers it.
- SFMTA does not adhere to best practices in verifying health prerequisites for taxi drivers.
- The taxi driver test is outdated and insecure.
- The taxi driver database is insecure, so is vulnerable to potential tampering.
- SFMTA does not verify that taxi drivers renew their permits yearly.

The written policies and procedures for administering the taxi driver permit process are either outdated or inadequate.

Finding 3.2.1

SFMTA lacks management controls over its taxi driver permit process, increasing the risk of errors and incomplete records.

There is no supervisory review in the entering of test results into the database.

For the taxi permit process, SFMTA does not require a manager or supervisor to check the test results entered into the database or examine the documentation on file to ensure completeness.

The same SFMTA clerk proctors the exam, grades it, and enters test scores into a class roster spreadsheet. There is no supervisory review of the process to ensure that the employee entered the test scores accurately.

There is no supervisory review in the distribution of temporary A-cards to taxi drivers.

Temporary taxi driver permits (A-cards) are prepared before the tests are graded; they are printed based on the class roster. Once the clerk has entered test scores into the database, the clerk distributes the temporary A-cards to all applicants who passed the test. However, there is no oversight at the time or subsequent review of this process. Such oversight is advisable because the auditor observed that, before the A-card distribution, the clerk did not remove the temporary A-cards with the names of students who failed the exam until reminded to do so by the auditor. While this may be an isolated incident, it indicates the importance of supervisory review during the process.

The lack of supervisory review to ensure accuracy of data entry and the distribution of temporary A-cards increases the risk that students who failed the exam could be given a temporary permit to drive a taxi in San Francisco.

There is no supervisory review to ensure documentation is complete and accurate.

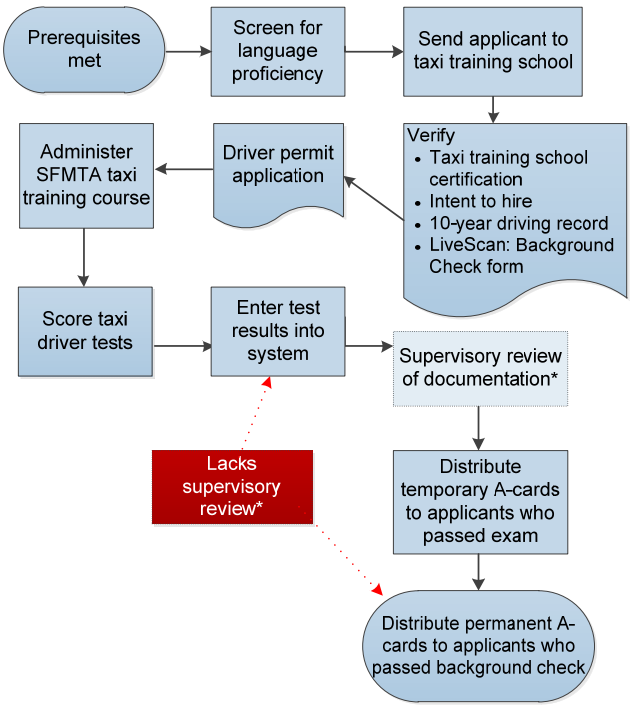
Taxi driver permit applicants must meet stated prerequisites and provide documentation verifying that they have completed the necessary application steps to receive a temporary A-card permit to drive a taxi in San Francisco. However, SFMTA does not perform supervisory reviews to ensure that all adequate documents are verified before issuing the A-card permits. Further, SFMTA's policies and procedures do not require supervisory review.

According to SFMTA management, division staff does review the drivers' files before distributing the temporary

A-card permits. However, of 32 files tested by the audit, 6 (19 percent) did not have prescreening documentation and 3 (9 percent) did not have an A-card form, which drivers must complete to receive their permanent A-card. SFMTA should perform supervisory review regularly and consistently to ensure that all required steps of the permit process are completed before issuing a temporary A-card or permanent A-card to a driver. In this way, SFMTA can ensure that all permitted drivers are fully qualified to operate taxis in San Francisco.

Exhibit 26 details the taxi driver permit process and depicts where supervisory review should exist in the process.

EXHIBIT 26 Taxi Driver Permit Process



Note: Dotted lines and asterisks indicate steps that should include supervisory review but currently do not.

Source: Auditor's analysis based on observations

During January 2011 through September 2013 SFMTA issued 1,804 permanent A-cards. Exhibit 27 shows the number of A-cards distributed per calendar year.

EXHIBIT 27 Number of A-Cards Issued Calendar Years 2011 Through 2013

Calendar Year	A-Cards Issued
2011	436
2012	586
2013*	782
Total	1,804

*Note: Through September

Source: SFMTA's A-card database

Recommendations

The San Francisco Municipal Transportation Agency should:

31. Implement supervisory reviews during the entering of taxi driver test scores, temporary A-card permit distribution, and permanent A-card permit distribution (to those who pass the test and background check) to ensure the integrity of testing procedures.

32. Regularly and consistently review taxi driver files before issuing A-card permits to ensure that all required documentation is complete.

Finding 3.2.2

SFMTA does not verify that drivers meet health prerequisites.

SFMTA cannot be assured that it allows only fully qualified applicants to drive taxis in San Francisco because it has no process to verify that applicants meet all prerequisites. For example, SFMTA does not verify three of its eight prerequisites for potential taxi drivers, as follows:

- Good health
- Ability to drive four or more hours a day
- Good personal hygiene

In contrast, four other local governments contacted for the audit require potential taxi drivers to submit verification of a medical or health exam. Further, six other surveyed jurisdictions require taxi driver applicants

to pass drug tests before receiving a permit. Although, according to SFMTA, it is developing a drug testing program for taxi driver applicants, it does not currently require drug testing.

Exhibit 28 details the taxi driver health requirements of the other local governments surveyed.

EXHIBIT 28 Other Jurisdictions' Taxi Driver Health Requirements

Jurisdiction	Medical or Physical Exam	Drug Test
City of Chicago	✓	✓
City of Houston	✓	✓
City of Los Angeles		✓
City of New Orleans		✓
City of New York	✓	✓
City of Seattle	✓	
San Diego County		✓

Source: Auditor's benchmarking survey

SFMTA does not verify that applicants meet all health prerequisites.

Although the taxi driver permit application includes questions regarding physical impairments, according to SFMTA, no one verifies the applicants' answers to these questions.

Without adequate health verification, SFMTA increases the risk of permitting unqualified drivers and thereby potentially endangering public safety.

Recommendations

The San Francisco Municipal Transportation Agency should:

33. Require taxi driver permit applicants to submit verification of a medical exam indicating that a health care provider certifies that they are in good health and should be able to drive a taxi four or more hours per day, in accordance with the prerequisites, or revise the prerequisites.

34. Require taxi driver permit applicants to pass a drug test before being granted a permit.

Finding 3.2.3 — SFMTA's taxi driver training test has outdated questions.

The taxi driver test has at least three outdated questions that do not test knowledge required to drive a taxi in San Francisco.

SFMTA's taxi driver test is outdated and does not reflect current procedures and practices. The taxi driver test is designed to assess applicants' knowledge of taxi driver procedures, practices, rules, and regulations in San Francisco and at San Francisco International Airport. However, it contains outdated questions.

At least three questions on the test relate to paper waybills, which are no longer used. In the past taxi drivers maintained handwritten waybills to record trip data. However, paper waybills were fully replaced by electronic waybills in June 2013. According SFMTA management, it is aware of the outdated waybill questions, but lacks staff and time to update the taxi driver test. Nonetheless, the outdated exam questions degrade SFMTA's ability to effectively evaluate whether applicants are sufficiently knowledgeable of taxi industry practices in San Francisco, specifically about electronic waybills.

Exams should be updated at reasonable intervals. Other agencies surveyed for the audit update their tests at varying intervals, ranging from "as-needed" to every four to five years. However, Houston's Transportation Section updates its exam at least twice a year. In contrast, SFMTA's taxi driver tests were last updated in 2012.

Recommendation

35. The San Francisco Municipal Transportation Agency should update its taxi driver exams to reflect current taxi industry practices and review the test at least yearly to ensure it remains current.

Finding 3.2.4 — SFMTA does not secure its taxi driver tests to prevent inappropriate access.

SFMTA does not properly safeguard its taxi driver tests, allowing access to unauthorized staff.

Copies of the taxi driver tests are stored in an unlocked crate in the taxi window clerk's office and are accessible to all division staff. Also, the electronic versions of the tests are stored in a shared drive that can be accessed by all Taxi Services staff, some Accessible Services staff, numerous former employees, and several SFMTA information systems staff. This poses a risk that test questions may be compromised.

If the test questions are leaked to test takers, the exam's effectiveness in assessing the applicant's qualifications will be diminished, which would increase the risk that unqualified applicants could become permitted to drive taxis in San Francisco.

According to the GAO's internal control standards, an agency must establish physical controls to secure and safeguard vulnerable assets. Although test booklets are not assets in the traditional sense, they must be safeguarded for the information they contain. Also, the GAO standards state that access to resources and records, such as the electronic versions of the tests, should be limited to authorized individuals and accountability for their custody and use should be assigned and maintained.

Recommendations

The San Francisco Municipal Transportation Agency should:

36. Safeguard the paper copies of the taxi driver exams in a secure and locked location and limit access to them.

37. Ensure that only authorized individuals have access to the electronic versions of the taxi driver exams.

Finding 3.2.5

SFMTA does not secure its taxi driver permit records to prevent unauthorized access.

Unauthorized staff has access that would allow untraceable changes to the taxi driver database.

The taxi driver database is insecure and accessible to SFMTA staff, which compromises the database's integrity. The database, which is in Microsoft Access, contains confidential information of all drivers who have a permit to drive taxis in San Francisco. However, the database is located on a shared computer directory and can be accessed by division employees who are not directly involved with the taxi driver permit process.

According to SFMTA management, certain employees need access to view information in the database if the staff responsible for entering data is unavailable. However, access should be limited to only those who are

involved in the Taxi Services unit, and that access should be read-only. Unlimited access increases the risk that untraceable or unauthorized edits may be made in the system.

According to the GAO internal control standards, access to resources and records should be limited to authorized individuals, and accountability for their custody and use should be assigned and maintained. Access security control protects the systems from inappropriate and unauthorized use.

Recommendation

38. The San Francisco Municipal Transportation Agency should ensure that only authorized employees have access to the taxi driver database and should restrict user access rights as necessary.

Finding 3.2.6

SFMTA does not verify whether taxi drivers renew their taxi driver permits.

SFMTA does not verify that taxi drivers have an unexpired taxi driver permit.

SFMTA does not verify whether taxi drivers renew their taxi driver permits yearly, increasing the risk that drivers operate taxis in San Francisco with expired permits. According to SFMTA, it relies on taxi companies to ensure that their drivers have current permits. According to SFMTA, on average, about 600 taxi driver permits expire each month and about 100-200 drivers do not renew their permits before expiration. However, SFMTA does not know whether taxi drivers who do not renew are still driving taxis in San Francisco.

In contrast, San Diego's Metropolitan Transit System, Taxicab Administration, works with its Sheriff's Department, which maintains records of taxi drivers to determine whether a driver has an expired permit.

SFMTA does not verify that drivers are still qualified and safe before renewing their permits.

SFMTA's taxi driver permit renewal procedures only require that a taxi driver pay an annual fee of $101 to the City. While SFMTA does get updates from the California Department of Justice of any new criminal violations a taxi driver has committed since being permitted to drive taxis, there is no reassessment process to determine whether a driver continues to be qualified and able to safely operate a taxi in San Francisco. Unlike the taxi

driver permitting process, where a driver's driving record is obtained from the California Department of Motor Vehicles and a background check is conducted, the renewal process does not verify that the driver continues to be in good health or has a clean driving record. Lack of verification of a valid A-card permit increases the risk that a driver who is in poor health continues to operate a taxi, which increases the risk of unsafe operation of taxis in San Francisco.

Recommendations

The San Francisco Municipal Transportation Agency should:

39. Implement a process to review expired taxi driver permits and, by coordinating with taxi companies, ensure that those whose permits have expired are no longer operating taxis in San Francisco.

40. Evaluate the feasibility of periodically assessing taxi drivers during the renewal process to ensure that they continue to have a clean driving record and meet the driving record requirement for being a taxi driver in San Francisco.

41. If the taxi driver health prerequisites are not changed, assess whether taxi drivers continue to be in good health.

Finding 3.2.7

SFMTA's taxi permit policies and procedures are inadequate, depriving staff of useful written guidance.

SFMTA lacks adequate taxi permit policies and procedures for its staff.

SFMTA's written policies and procedures for the taxi permit process are outdated and incomplete, which increases the risk that SFMTA staff does not consistently and adequately evaluate applicants to ensure that only safe and qualified drivers are allowed to obtain a taxi driver's permit.

SFMTA has two versions of written taxi permit policies and procedures and neither is adequate. One version is outdated; it contains procedures that are either not performed any longer or are performed differently than how they are written. The second version does not detail all the practices currently performed by the SFMTA staff responsible for evaluating and permitting taxi driver

applicants. According to SFMTA, the second version is currently used. However, the second version does not have procedures for the SFMTA new taxi driver class, how to score tests, where to enter test results, and how to get a temporary and subsequent permanent A-card permit.

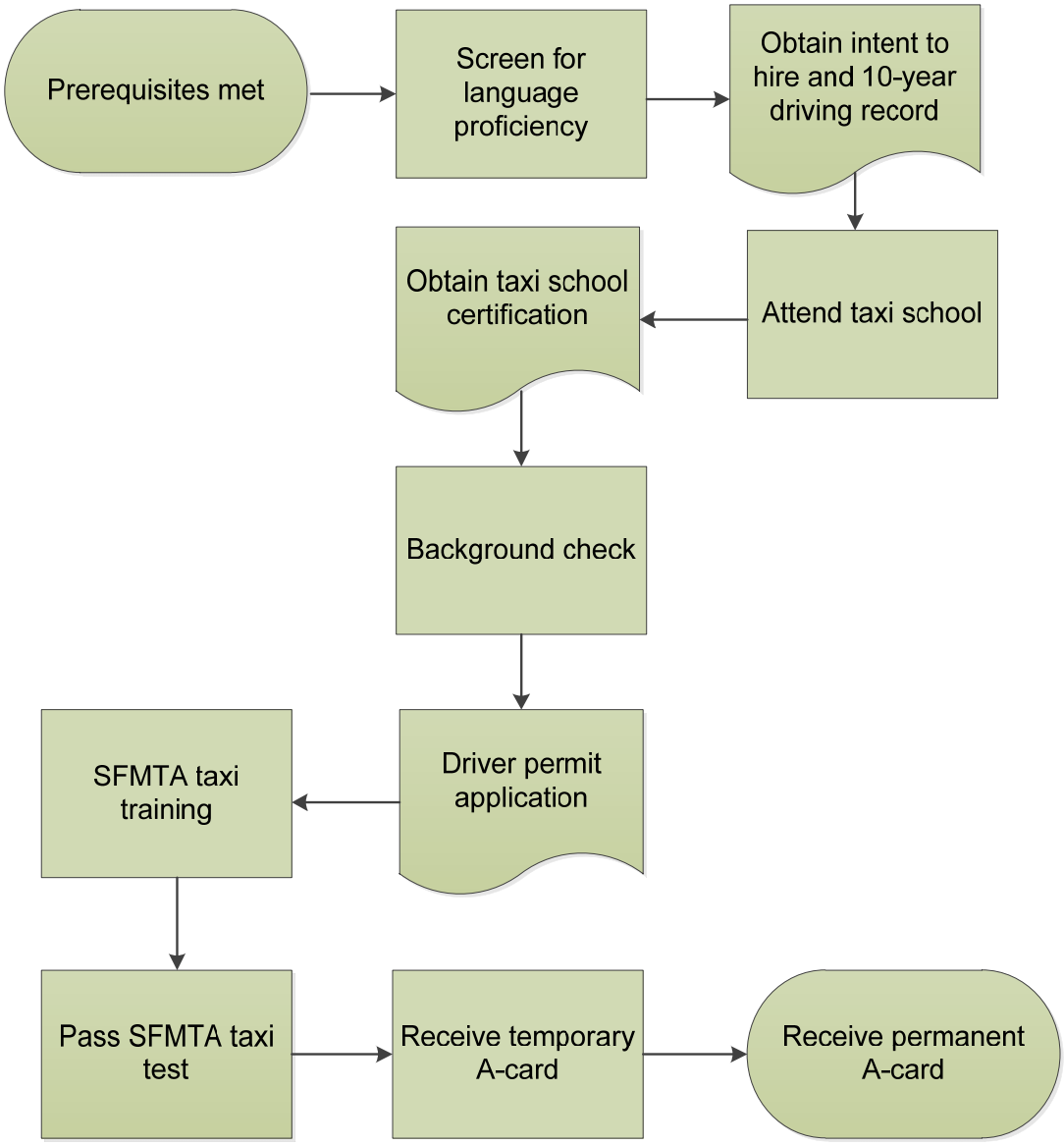
Because SFMTA window clerks are responsible for prescreening applicants and allowing them to advance in the application process, it is especially important that the clerks have comprehensive and up-to-date policies and procedures to follow that are aligned with management's objectives.

According to the GAO's internal control standards, adequate policies and procedures and internal controls ensure that government resources are used effectively and efficiently.

Recommendation

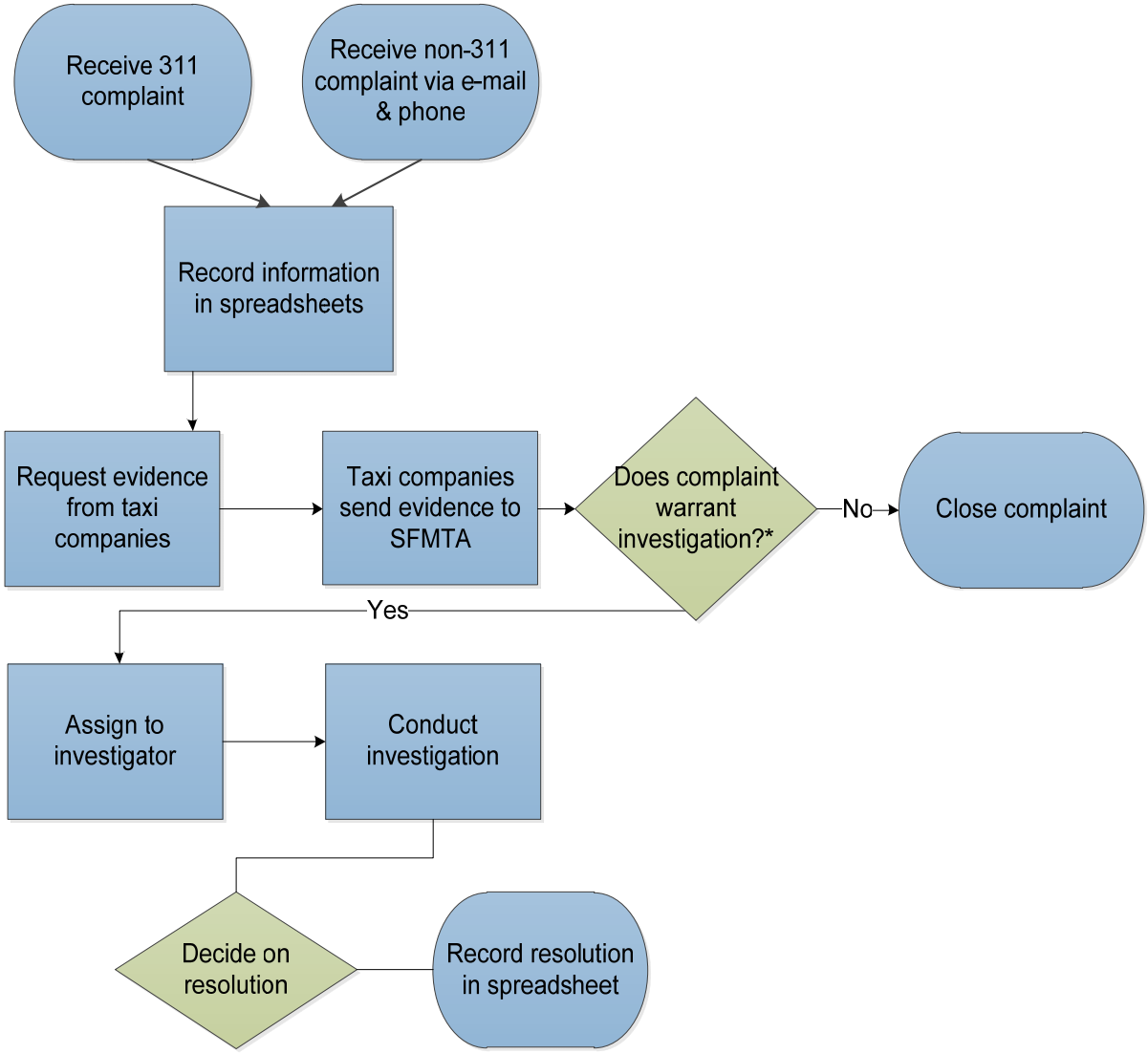
42. The San Francisco Municipal Transportation Agency should update its taxi permit policies and procedures to ensure that they are comprehensive and reflect management's objectives.

APPENDIX A: Taxi Driver Permit Process



Source: Auditor's observations and analysis of process

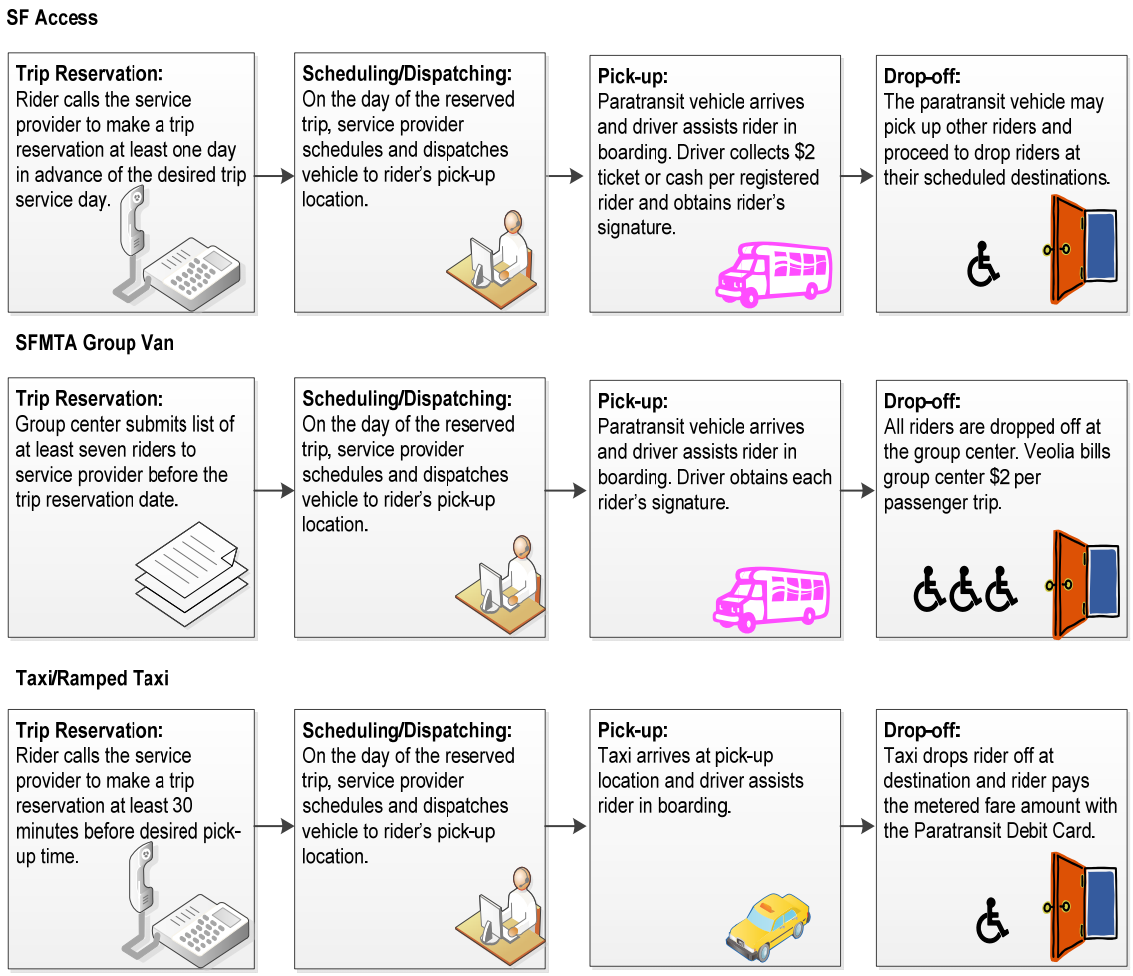
APPENDIX B: Taxi Complaint Process



*Note: Not all complaints are assigned to an investigator. The employee that handles taxi complaints assigns complaints to investigators based on the severity of the complaint.

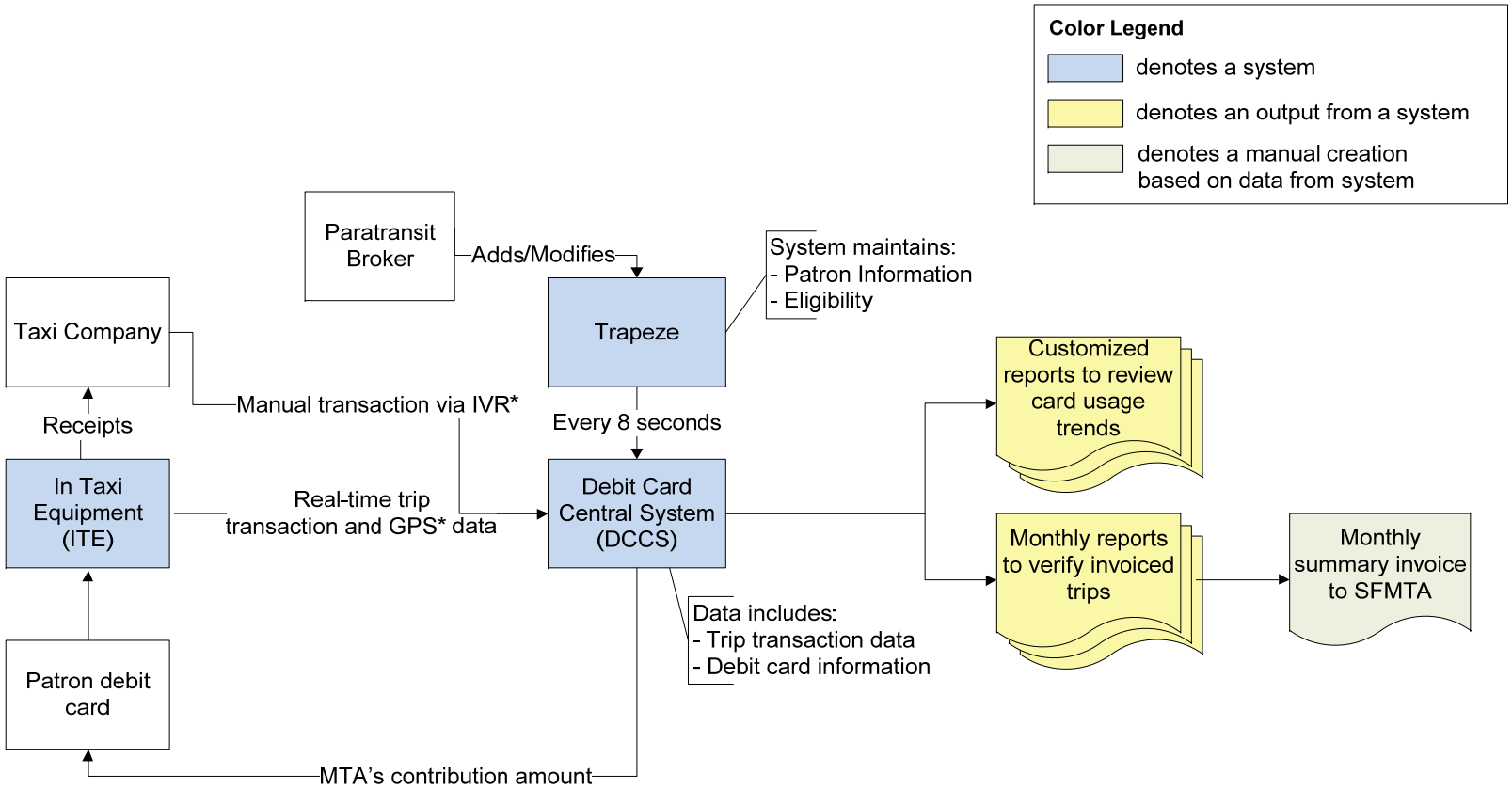
Source: Auditor's analysis based on interviews of SFMTA personnel

APPENDIX C: Process for ADA Paratransit Services



Source: Auditor's analysis of Veolia's services

APPENDIX D: SF Paratransit Debit Card Central System High-Level Systems Interface

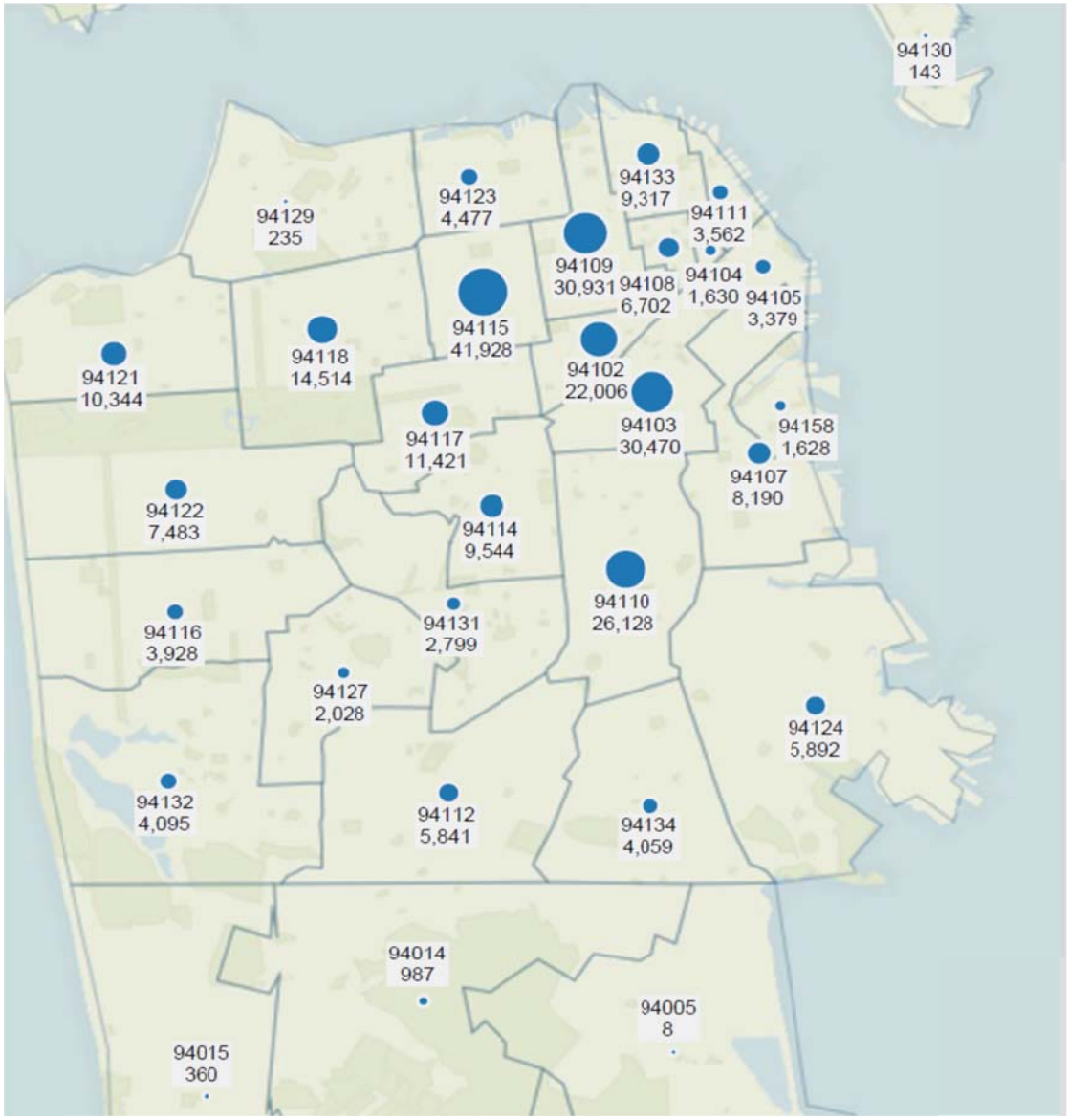


Notes:
*GPS = Global Positioning System software
*IVR = Interactive Voice Response system

Source: Auditor's analysis based on interviews of Veolia staff

APPENDIX E: MAPS OF PARATRANSIT PICK-UPS AND CLIENTS BY ZIP CODE

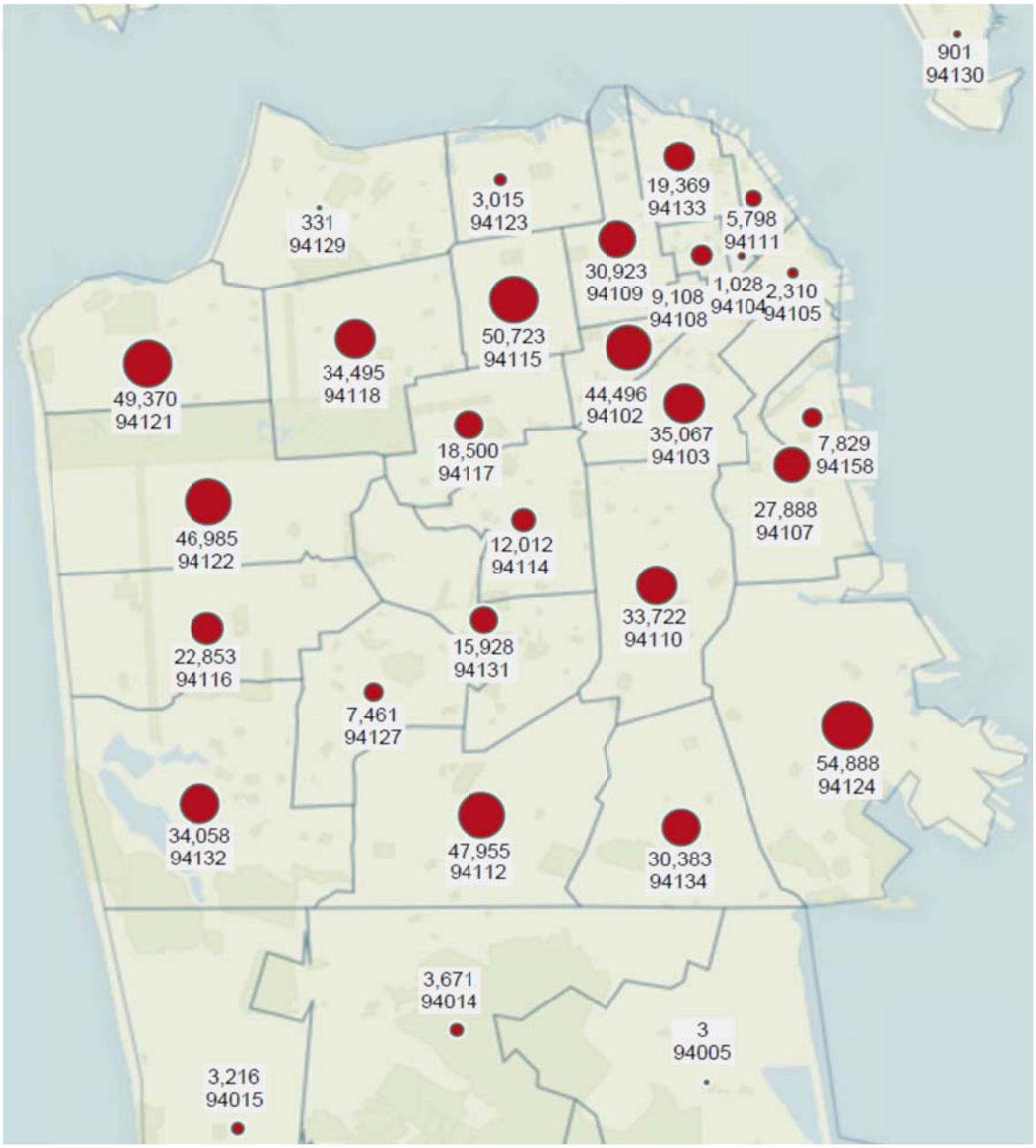
Figure 1 – SF Paratransit Taxi Pick-ups by Zip Code*



*Note: Larger circles indicate a larger number of pick-ups in that zip code. According to SF Paratransit, per ADA rules, San Francisco's paratransit service territory extends in a ¾-mile radius from any fixed transit stop within the jurisdiction, so locations within portions of Daly City and Brisbane are included.

Source: Auditor's analysis of SFMTA data

Figure 2 – SF Paratransit Van Pick-ups by Zip Code[a, b]



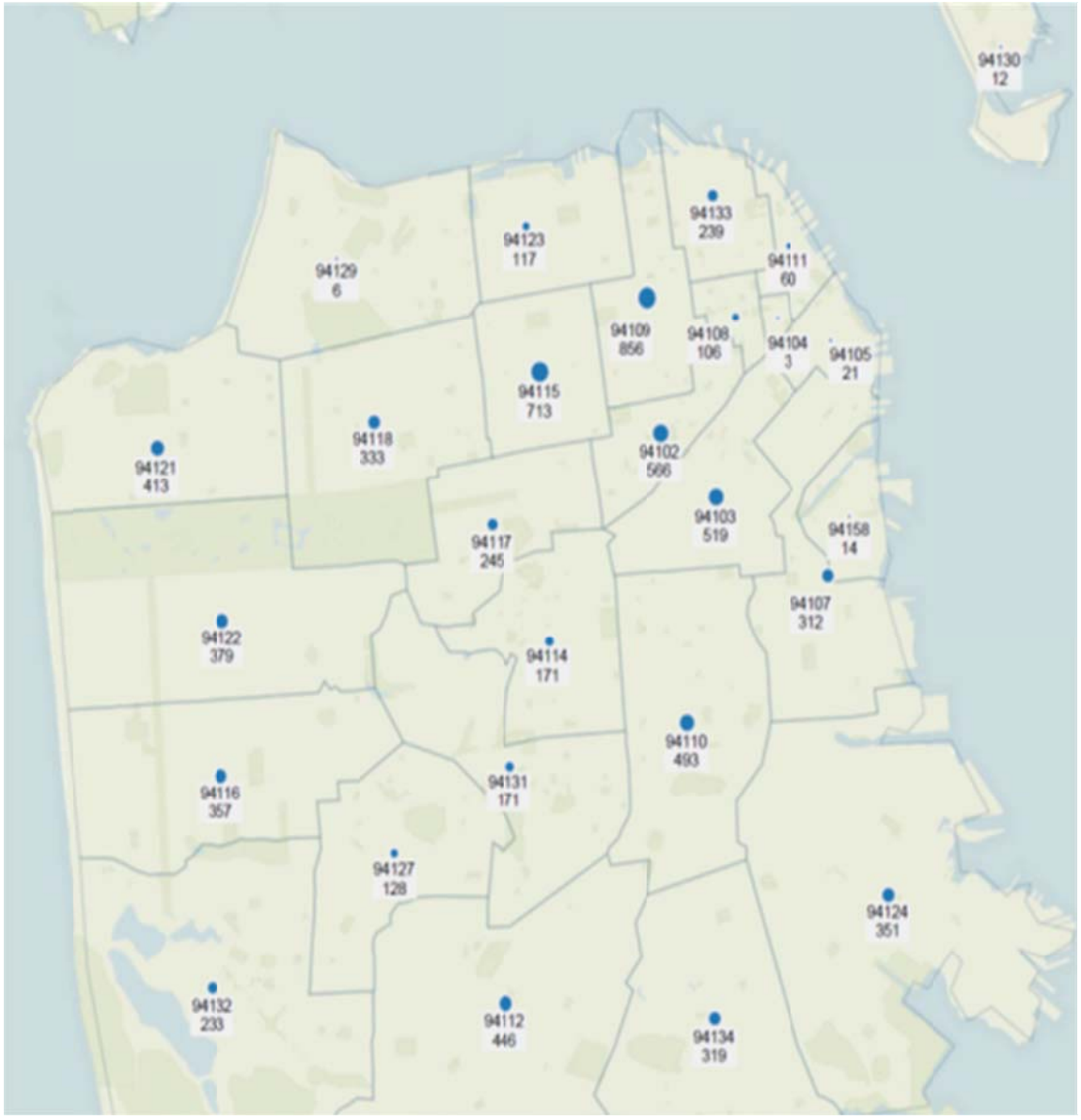
Notes:

[a] Van pick-ups include SF Access, SFMTA group van, DAAS group van, and Shop-A-Round group van.

[b] Larger circles indicate a larger number of pick-ups in that zip code. According to SF Paratransit, per ADA rules San Francisco's paratransit service territory extends in a ¾-mile radius from any fixed transit stop within the jurisdiction, so locations within portions of Daly City and Brisbane are included.

Source: Auditor's analysis of SFMTA data

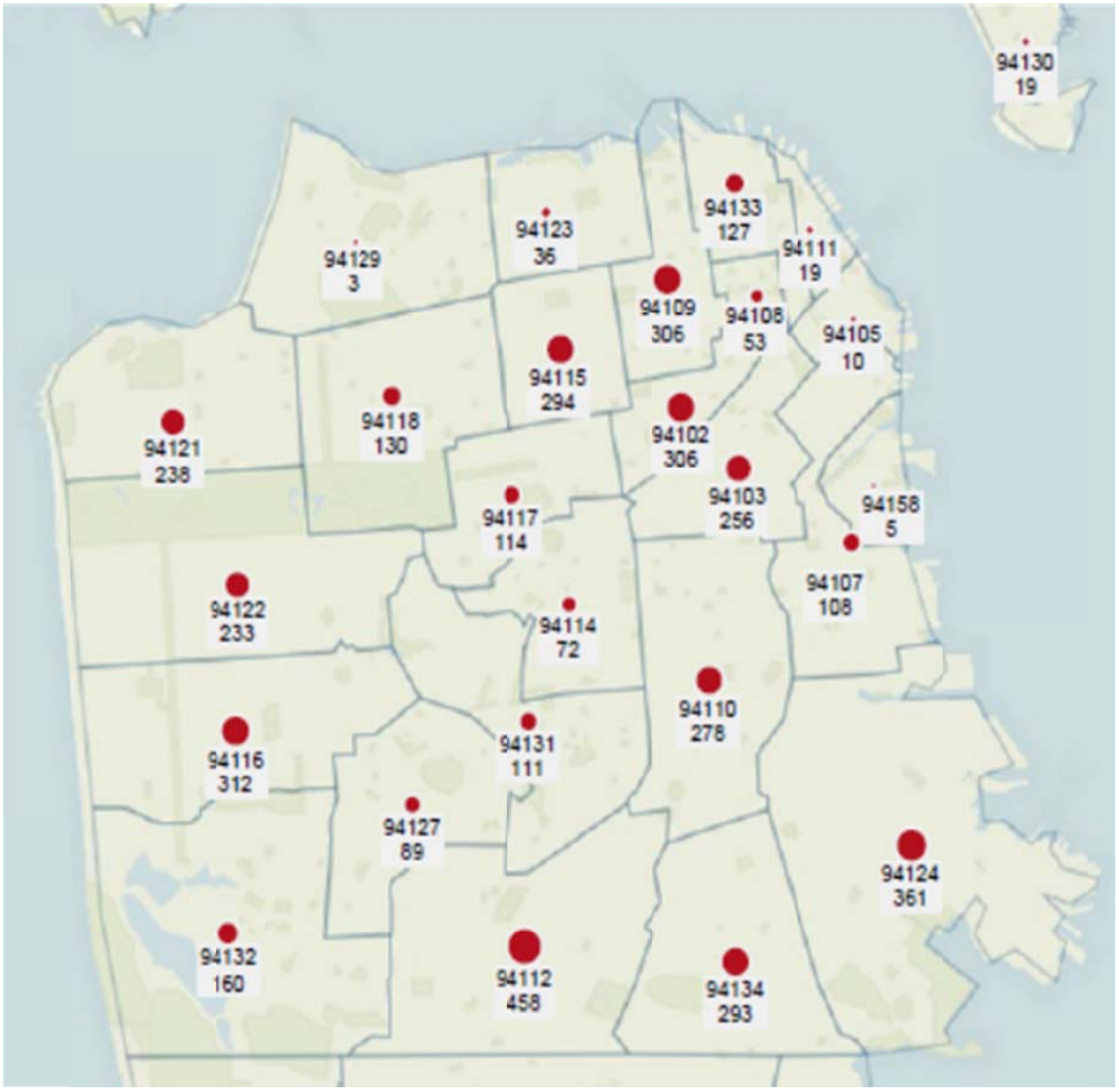
Figure 3 – SF Paratransit Taxi Clients by Zip Code*



*Note: San Francisco zip codes only. Larger circles indicate a larger number of pick-ups in that zip code.

Source: Auditor's analysis of SFMTA data

Figure 4 – SF Paratransit Van Clients by Zip Code[a, b]



Notes:
[a] Van clients include SF Access, SFMTA group van, DAAS group van, and Shop-A-Round group van.
[b] San Francisco zip codes only. Larger circles indicate a larger number of pick-ups in that zip code.

Source: Auditor's analysis of SFMTA data

APPENDIX F: DEPARTMENT RESPONSE



SFMTA
Municipal
Transportation
Agency

Edwin M. Lee, *Mayor*

Tom Nolan, *Chairman*
Malcolm Heinicke, *Director*
Joél Ramos, *Director*
Cheryl Brinkman, Vice-Chairman
Jerry Lee, *Director*
Cristina Rubke, *Director*

Edward D. Reiskin, *Director of Transportation*

April 21, 2014

Tonia Lediju
Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: ***Response to San Francisco Municipal Transportation Agency: The Taxis and Accessible Services Division Exceptions-Based Audit***

Dear Ms. Lediju:

The San Francisco Municipal Transportation Agency is in receipt of the draft audit report, "San Francisco Municipal Transportation Agency: The Taxis and Accessible Services Division Needs to Better Manage Its Paratransit Contract and Improve Controls Over Its Taxi Complaint and Taxi Driver Permit Processes." Please find enclosed our responses to the audit recommendations. I am pleased to report that several of the recommendations have either already been implemented or are in process.

SFMTA staff is proud of the work we do every day to oversee the delivery of high quality paratransit and taxi services and we would like to note that the purpose of the Controller's exceptions-based audit is to study and delineate deficiencies and not provide an overall analysis of programmatic quality. Both the SF Paratransit and Taxi programs are industry leaders and we consider the audit report a positive opportunity to fine tune both the SF Paratransit Program oversight and the Taxi complaint and driver permit process. We truly appreciate the efforts of your professional, high-quality audit team that we have worked with over the past six months.

If you have any questions or need additional information, please call Kathleen Sakelaris at 701-4339.

Sincerely,

Edward D. Reiskin
Director of Transportation

Enclosure

1 South Van Ness Avenue 7th Floor, San Francisco, CA 94103 415.701.4500 www.sfmta.com

For each recommendation, the responsible agency should indicate whether it concurs, does not concur, or partially concurs. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

RECOMMENDATIONS AND RESPONSES

Recommendation	Response
The San Francisco Municipal Transportation Agency (SFMTA) should:	
1. Periodically inspect Veolia's safety records to ensure that they are adequate for each of the service providers.	Concur. At present, the SFMTA is notified via email of all accidents as they occur and responds to ensure Veolia and its subcontractors take appropriate action as needed. In addition, SFMTA receives and reviews accident data on a monthly basis. A safety goal is included in the City's contract with Veolia and has been consistently met. Starting July 2014, and on a bi-annual basis moving forward, SFMTA will inspect the insurance records, which are maintained and tracked by Veolia's Contract Administrator, for all service providers. SFMTA will also inspect the records Veolia receives from providers detailing provider staffing, specifically with regard to road supervisors, to assure that daily on-street supervision of drivers is sufficient. See response below to Recommendation #2 regarding reviewing the file audits, which will also be part of SFMTA's inspection of Veolia's safety records. It is important to note that Veolia utilizes many of the same safety oversight processes listed in the audit report under "Paratransit Oversight Processes Used by Other Jurisdictions," including reviewing service providers' current insurance based on renewal dates; monitoring safety trends and discussing incidents regularly; in-vehicle camera technology; routinely reviewing accident records and regularly meeting with contractors to address safety concerns, which includes following up on complaints and reviewing contractor safety protocols. In addition to the items listed above, Veolia established contract requirements of its van service providers, which promote safety requirements such as pre-employment checks (criminal, DMV H6,

Recommendation	Response
	and drug & alcohol), and strong driver training standards (including CTAA PASS, CPR & First Aid, and DDC-IV/Smith System defensive driving) for all van service contractors.
2. Ensure that Veolia audits files more frequently than once a year and improves documentation of completed file audits.	Concur. Veolia will review at least 10% of all active driver files quarterly and SFMTA will review file audit documentation on a quarterly basis, starting with the next incentive/disincentive review.
3. Determine, in agreement with Veolia, an appropriate method for determining on-time performance for paratransit taxi trips.	Concur. SFMTA will work with Veolia to develop and implement an updated process for establishing taxi on time reliability. The updated process will be developed by June 30, 2014 and implemented at the start of FY14-15.
4. Require Veolia to reconcile SF Access trip data in Trapeze to monthly reports sent to the San Francisco Municipal Transportation Agency to ensure that Veolia is accurately measuring on-time performance for SF Access.	Partially concur with recommendation. The report accurately indicates that Veolia measures SF Access OTP for all trips performed in the month using data automatically generated by the Trapeze software system, and those trips do not match the trips reported as part of the monthly expanded monthly report (XMR). The trips reported on the XMR are completed trips that have been invoiced and paid for. The SFMTA will ensure notation is provided regarding each separate data element (OTP trip count and XMR trip count) to accurately reflect what is being counted. This will be implemented as part of the May 2014 XMR. SFMTA wants to continue to use the total trips provided through Trapeze because it reflects the service on the street that the customer receives. The XMR trip count is typically less than the OTP trip count as not all trips are invoiced due to Veolia's inability to validate the trip because, for example, the driver did not properly enter the necessary actions using the on-board computer or manifest or did not obtain a passenger signature or some other irregularity.

Recommendation	Response
5. Require Veolia to use data from the Mobile Data Computers, upon their full implementation, to calculate on-time performance for group van runs based on the entire population of runs recorded monthly.	Concur. SFMTA will ensure that Veolia uses data generated through the Mobile Data Computers to calculate OTP for group van based on all runs recorded monthly, two months after full implementation of MDCs. Full implementation will occur after the delivery and installation of the final 10 units. SFMTA expects the new process to be in place no later than October 2014.
6. Compare Veolia's calculations for measuring on-time trip performance to source data for taxi, SF Access, and group van services.	Concur. SFMTA staff will review source data for OTP as part of the Paratransit Broker quarterly incentive/disincentive process as part of the next quarterly review.
7. Periodically review Veolia's process for tracking, investigating, and resolving complaints to ensure that complaints are promptly entered in the complaints tracking system and adequately resolved.	Concur. Recommendation implemented. A process was developed and implemented as part of the quarterly Broker incentive/disincentive review process, beginning in the first quarter of FY13-14. SFMTA has already implemented a random review of 10 complaint responses. • Look for clarity of information provided and complaint outcome • Review steps taken as corrective action Randomly review 10 complaint response for timeliness • Compare dates in system when complaint was received and complaint response sent out to the dates listed in the complaint response log to verify the accuracy of the dates
8. Ensure that Veolia records, tracks, and reports the date of the complaint response letter in future complaints reports.	Concur. Recommendation implemented. At SFMTA's request, the complaint tracking process was updated January 2014. Veolia staff now enters the complaint into Trapeze the date it is received and the complaint is not closed out until the response letter has been sent to the complainant (and not when the provider responds, as had been the previous practice).

Recommendation	Response
9. Ensure that Veolia reconciles the complaints data recorded in the Trapeze system to complaints data manually entered into the monthly reports.	Concur. Recommendation implemented as part of the April 2014 report procedure. Veolia verifies quarterly complaint numbers reported in the XMR by reviewing the COM-Rollup (Crystal) report, generated electronically from the Trapeze COM module.
10. Require Veolia to submit underlying documentation for labor and other direct costs.	Concur. Recommendation implemented as of the March 2014 invoice. SFMTA now requires Veolia to submit the following additional documentation: ADP report (previously, Veolia submitted a manual report, derived from the ADP report. The manual report has labor charges segmented according to fund source). Additionally, supporting documentation for other direct costs, such as office supplies, is provided by payment receipt instead of purchase order.
11. Thoroughly review supporting documents each month to ensure that labor and other direct costs are valid.	Concur. Recommendation implemented as of the March 2014 invoice. SFMTA staff had an existing practice of thoroughly reviewing the supporting documents each month, which was further tightened up with the March invoice. For labor, as stated in #10 above, ADP back up and timesheets for the GM will be submitted by Veolia to support labor costs.
12. Amend the body of the contract to specify the correct broker management fee.	Concur. Implementation of the recommendation is in process. The correct Broker management fee is included in the contract, Appendix B, although the body of the contract has a clerical error. The amendment language has already been drafted and reviewed by the City Attorney, and will be included in Amendment No. 4, which will also include approval for Veolia to lease newly procured paratransit vehicles. Amendment No. 4 is expected to be finalized by August 2014.
13. Periodically review support for transportation costs to ensure that Veolia accurately determines invoice amounts for trips performed.	Concur. SFMTA will develop a process to provide further oversight of the review of transportation support costs, which will be implemented starting with the next invoice.

Recommendation	Response
14. Require Veolia to use data from the Mobile Data Computers, upon their full implementation, so it can completely and accurately verify SF Access trip transportation costs.	Concur. SFMTA will ensure that Veolia uses data generated through the Mobile Data Computers to verify SF Access transportation costs two months after full implementation of MDCs. Full implementation will occur after the delivery and installation of the final 10 units. SFMTA expects the new process to be in place no later than October 2014.
15. Verify source data for all performance measures for which Veolia is eligible to receive incentive payments.	Concur. SFMTA staff will review source data as part of the Paratransit Broker quarterly incentive/disincentive process, during the next quarterly review.
16. Perform supervisory review of staff's calculations for the quarterly incentive/disincentive review.	Concur. Recommendation implemented as of January 2014. Staff was re-instructed and supervisory oversight was increased.
17. Expand what it considers in determining whether Veolia meets the consumer satisfaction performance measure to include all broker-related aspects in the survey, as stated in the contract, or amend the contract to reflect current practice.	Concur. SFMTA will re-evaluate the metric used for determining whether Veolia meets the consumer satisfaction performance measure, and will either change the metric or amend the contract to reflect the current practice. The next independent customer satisfaction survey is scheduled for September-October 2014. The review will be completed by that time.
18. Require Veolia to have its analysts sign the ADA Paratransit Eligibility Determination Summary Report after approving or denying an application.	Concur. Recommendation implemented. Veolia staff was re-trained to sign the Eligibility summary for each application as of April 1, 2014.

Recommendation	Response
19. Implement a formal monitoring process over the eligibility determination process, which includes requiring Veolia to develop a written supervisory review procedure to add to the eligibility determination process.	Concur. Veolia staff will develop written procedures which will be approved by SFMTA by July 2014. Additionally, SFMTA has already implemented a formal monitoring process over the eligibility determination process as part of the quarterly incentive/disincentive review process. This new process was implemented in the first quarter of FY13-14, and includes: Randomly review 10 eligibility determinations. Review the process and outcome. • Examine eight new applications and two recertification (selected at random) • Review application receipt date and eligibility process actions taken (letters sent, any appointments scheduled and held, any medical verification requested and followed up with client if not promptly received) to ensure that completed applications were processed and determination was made within 21 days • Review that the appropriate determination was made and documented
20. Require Veolia to develop written policy and procedures for conducting first- and second-level assessments.	Concur. Veolia staff will develop written procedures which will be approved by SFMTA by July 2014. SFMTA has started a process to review the entire eligibility process and may move to a 100% in-person interview process, but this review and development of such a substantive change in the eligibility process will take many months to study with a working group of the Paratransit Coordinating Council and possibly implement. So although the entire process may change, SFMTA will require written procedures in the interim.
21. Revise the outreach and related tasks in the paratransit broker agreement to reflect agency priorities and ensure that outreach activities are targeted to appropriate populations and areas of San Francisco.	Concur. The outreach related tasks will be updated as part of Amendment No. 4, which will be completed by August 2014.

Recommendation	Response
22. Monitor Veolia's outreach efforts to ensure that all outreach tasks are accomplished and proper supporting documentation is maintained.	Concur. Veolia implemented an updated outreach monitoring system in January 2014, which includes goals for further documentation, for example, collection of sign in sheets where appropriate and agendas and/or handouts/flyers from each outreach meeting. In some cases, email printouts will be used to document outreach activities, where no handouts or agendas are provided, and collecting a sign-in sheet is not feasible or not appropriate. All outreach activities are also tracked on a central spreadsheet, by Veolia staff. SFMTA staff will review outreach documentation during the next quarterly incentive/disincentive review process.
23. Require Veolia to regularly review current user access to the Trapeze system and Debit Card Central System, adequately document the process, and ensure that system access rights of users who no longer need access are immediately terminated.	Concur. Recommendation in process of being implemented. Veolia's current suite of Trapeze products (PASS version 8, CERT, COM) does not have built-in user audit/reporting tools. To address this, Veolia's business improvement group has developed a report through it's "Veolia Vision" software, a proprietary software system that works with Trapeze products, which lists the name of each user by specific login name, the date of most recent Trapeze activity, and the number of days since the account was last active. This report will run monthly starting May 2014 and report out activity over the previous 60 days. Veolia will use this report each month and cross check with each service provider and Veolia manager to validate each group's account identity, and for inactive accounts, determine whether the account should be deleted. For any user or user group where validation does not occur after 72 hours, Veolia will automatically deactivate the account(s). Veolia will also automatically deactivate an account that has not been used in over 60 days. New user accounts will only be established when the user group request form has been properly completed, approved and submitted. This form was developed in March 2014 during this audit process. After a user account request form is approved and validated by Veolia's Director of Operations, the new user account would be created and activated. Veolia will update to Trapeze PASS version 13 effective January 1, 2015. The time between now and then is needed to properly test the new version and ensure its safe and proper operation. This new version of PASS complies with the Microsoft definition of password complexity and will allow Veolia to require a password of at

Recommendation	Response
	least 8 alpha-numeric characters in length; allow tracking of password history and preclude the use of a previously used password; and, require that the password selected contains at least one number and one letter. The Veolia Vision user activity report will continue to be utilized as well. Veolia's user account request form will also be used for the DCCS system. Veolia will ask CabConnect to create a standard report, similar to the query run for this audit, which will allow Veolia to similarly monitor user activity on the DCCS side as described herein for Trapeze. For both Trapeze and DCCS use, Veolia's IT Administrator will perform the user activity review every 60 days.
24. Require Veolia to restrict users' access to the Trapeze system and Debit Card Central System in accordance with their job duties.	Partially concur with recommendation. With regard to the statement (Finding 2.2, page 48): "All staff in Veolia's certification unit, which is responsible for all eligibility-related functions, have the same user access permissions to both Trapeze and DCCS." is not accurate. An eligibility clerk is responsible for the entry of a patron record into Trapeze for a person who has been granted paratransit eligibility by an eligibility analyst. To that end, the clerk must have the ability to enter the patron eligibility but the analyst, not the clerk makes that determination. Veolia has a small staff and a high standard of customer service so, on the DCCS side, the clerk can VIEW (read only) but not make changes to the patron record. This allows the clerk to, as an example; give a patron information about their debit card account balance or the status of their "add value" activity without requiring the patron to speak with another person. From a broader perspective, the function of user access and granted permissions is not so much a Veolia function but a function of software system design. Both the DCCS and the Trapeze software systems are generally "off the shelf" systems. In checking with our regional peers that use Trapeze, they also do not specifically restrict access to the level prescribed by this audit. Nevertheless, SFMTA will ask Veolia to do the following by October 1, 2014, for both DCCS and Trapeze:

Recommendation	Response
	• Perform a high level review of the current security groups and outline what overall rights and privileges are granted to each group by discussing access with software suppliers or other product experts; • Then Veolia will review of each user's job description with relation to the access/permissions granted to that end user and adjust job descriptions accordingly. • Inform both Trapeze and Cabconnect of the need to integrate the highest level of security and monitoring in their software products.
25. Require Veolia to use a reliable, system-generated user access report to review and monitor who has access to the Trapeze system.	Concur. Veolia has implemented a Veolia Vision report along with a report developed by Cabconnect to perform monitoring and review. This will be done monthly. Please see response to Recommendation #23.
26. Require Veolia to develop, implement, document, and communicate a password standard in the Trapeze system and Debit Card Central System that incorporates industry best practices such as complexity standards (for example, minimum length of eight characters, mix of alphabetical and numeric characters) and a policy that passwords will expire after a reasonable duration.	Concur. This is also a function of the software and not of Veolia. For the current versions of both software products, Trapeze and Cabconnect's DCCS, there are no available password controls or enforcement. For Trapeze PASS, the upgrade to version 13 will resolve the password concerns. For the DCCS, we will investigate with Cabconnect an upgrade to their software so that it conforms to the Microsoft definition of password complexity as previously described in our response to Recommendation #23. The security recommendations outlined by the Controller will be included as a priority and best practice for all future paratransit software upgrades and acquisitions.

Recommendation	Response
27. Revise and establish policies and procedures to standardize the taxi complaint process, including: a. Clear procedures on receiving and logging taxi complaints. b. Guidance on assessing whether a complaint warrants an investigation. c. Guidance on assessing and prioritizing complaints that warrant investigation. d. Policies and procedures that standardize the investigation process and possible disciplinary actions. e. Standard follow-up procedures for open taxi complaints. f. A method to track taxi complaint resolutions. g. Procedures for supervisory review and backup personnel when staff is on leave to ensure that taxi complaint information is complete, accurate, and up-to-date.	Concur. Recommendation in the process of being implemented. **(a)** Taxi Services' complaint processing procedures have been undergoing a process of revision for some time as we strive to improve our performance in that area. In the first years of SFMTA's jurisdiction over taxis, a lack of resources to perform that task, which was historically performed by the Police Department, caused a backlog of complaints. It wasn't until recently, when a full contingent of eight Taxi Investigators was hired that we have had sufficient staff to effectively address complaints. **(a), (g)** Since then, we have revised complaint-processing procedures. Investigators are assigned to retrieve complaints daily and to distribute the complaints amongst all eight investigators. All Taxi Investigators are trained in retrieving complaints. **(b), (c)** All complaints are investigated and an outcome assigned, either substantiated or not substantiated, and a disciplinary action taken or not, as appropriate. **(a)** Records of the complaint and its resolution are entered into our driver database and become part of the driver's permit file. **(g)** As a result of focused effort by the team of Taxi Investigators we have now brought all complaints up to date, meaning they are either resolved or are part of an active investigation, and a member of the public who files a complaint today will receive a prompt response. **(f)** In addition, recognizing the need to improve in this area and others, Taxi Services staff has worked for over a year to procure a license for software designed for transportation regulators called RideIntegrity, that, among other things, will provide the public with a web portal to submit and track complaints and follow their outcomes. This RideIntegrity software is just now beginning to be implemented, and should be available to the public very shortly. Recognizing the need in this area, staff requested the software vendor to prioritize implementation of the complaints module, and as a result that will be one of the first functions to be implemented when the software is fully operational.

Recommendation	Response
	(a), (d), (e) We concur that it is important to document these new procedures. **(d), (e), (g)** We also concur that an important part of those written policies should be clear, objective guidance on appropriate disciplinary responses to complaints so that we are consistent and fair, and that they should include procedures for supervisory review of complaint processing by Taxi Investigators. We will develop written policies and complaint processing procedures in conjunction with the implementation of the RideIntegrity software by the first quarter of 2015.
28. Consider purchasing or developing a complaint tracking system to reliably assist the Taxis and Accessible Services Division in receiving, tracking, investigating, and following up on taxi complaints.	Concur. Recommendation implemented in November, 2013. Taxi Services staff has worked for over a year to procure a license for software designed for transportation regulators called RideIntegrity, that, among other things, will provide the public with a web portal to submit and track complaints and follow their outcomes. This RideIntegrity software is just now beginning to be implemented, and should be available to the public very shortly. Recognizing the need in this area, staff requested the software vendor to prioritize implementation of the complaints module, and so it will be one of the first functions to be implemented when the software is fully operational. In the interim, staff developed an Access database for complaint tracking and has been manually entering in all complaints. This database includes information on fines/citations, warnings, resolution and appeals, and the Access data can be incorporated into the RideIntegrity database as part of the software implementation.

Recommendation	Response
29. Correct the Cabdriver Waybill Request form to require taxi companies provide video footage within 24 hours of requests.	Concur. Recommendation was implemented in March 2014. This form has been eliminated. Transportation Code 1114(e)(9) requires taxi companies to "provide the SFPD or SFMTA, upon demand, with any data captured by the security camera in a vehicle." When requested, security camera footage is copied onto CD by taxi companies and is routinely retrieved as part of the fieldwork performed by Taxi Investigators. Taxi Services staff would like to adopt security camera standards that would require longer memory so that there is more time to retrieve evidence, but pending a change to state law governing automobile cameras it would be difficult to do so.
30. Secure the taxi complaint tracking spreadsheets by granting editing capability only to the employee(s) directly responsible for recording data in the spreadsheets. For all others, the spreadsheets should be read-only.	Concur. Recommendation was implemented on April 16, 2014. Taxi Services has secured taxi complaint tracking spreadsheets by granting editing capability to only those staff members who perform data entry in those files.
31. Implement supervisory reviews during the entering of taxi driver test scores, temporary A-card permit distribution, and permanent A-card permit distribution (to those who pass the test and background check) to ensure the integrity of testing procedures.	Partially Concur. Taxi Services began secondary review of grading taxi driver test scores and of temporary and permanent A-Card distribution as of April 17, 2014. Taxi Services will implement secondary review, but not necessarily supervisory review, of grading taxi driver test scores and of temporary and permanent A-Card distribution. We agree that these actions should be reviewed by a separate individual. However, we do not believe that this review needs to be done by a supervisor. Also, please note that Taxi Services has always performed supervisory review of driver background checks. No driver is eligible for a permanent A-Card until a supervisor has reviewed his/her background. In addition, the notation at the bottom of the diagram titled "Exhibit 26 Taxi Driver Permit Process" incorrectly states that the process "Distribute permanent A-cards to

Recommendation	Response
	applicants who passed background check," lacked supervisory review. In fact, this element of the process has always been reviewed only by someone with supervisory authority.
32. Regularly and consistently review taxi driver files before issuing A-card permits to ensure that all required documentation is complete.	Concur. Recommendation was implemented on April 16, 2014. Taxi Services implemented procedures for regular and consistent review of new driver files before issuing A-Card permits. Supervisory staff will conduct its own regular internal audits to ensure that driver files are complete and accurate.
33. Require taxi driver permit applicants to submit verification of a medical exam indicating that a health care provider certifies that they are in good health and should be able to drive a taxi four or more hours per day, in accordance with the prerequisites, or revise the prerequisites.	Concur that the requirement should be revised. To date, the lack of medical screening of new drivers by a physician has not presented any problems of which we are aware. Medallion holders who cannot meet their driving requirement may bring a doctor's certification of their condition in order to seek a waiver of the driving requirement. Taxi driver permit holders are not required to drive at all, and as independent contractors are free to work as long or as short a shift as they like, within legal limits on driving hours for for-hire drivers. Other for-hire drivers who compete with taxi drivers are not required to pass medical screenings. Taxi Services is not willing to impose this cost or this additional barrier to getting a permit on new taxi driver applicants. Taxi Services staff will draft legislation for consideration by the Board of Directors to eliminate this requirement for new taxi drivers by the first quarter of 2015.
34. Require taxi driver permit applicants to pass a drug test before being granted a permit.	Concur. Recommendation is in the process of being implemented. Taxi Services staff has been working for over a year to develop and issue a Request for Proposals (RFP) to obtain a third party administrator to perform drug testing for all 8000 taxi drivers. This RFP was issued in March, 2014. Drug and alcohol testing of taxi drivers will commence no later than the first quarter of 2015 following selection of the contractor and execution of the contract. In addition to testing new driver applicants, all existing drivers will be required to be tested upon permit renewal, following an accident or upon reasonable suspicion.

Recommendation	Response
35. Update its taxi driver exams to reflect current taxi industry practices and review the test at least yearly to ensure it remains current.	Concur. The exams will be updated by June 1, 2014, and will be updated annually going forward.
36. Safeguard the paper copies of the taxi driver exams in a secure and locked location and limit access to them.	Concur. Recommendation was implemented on April 16, 2014. Paper copies of the exams have been secured in a locked cabinet inside an office that requires badge access limited to Taxi Services staff, which in turn is inside an additional door that requires badge access limited to SFMTA employees. The two sets of keys to the cabinet are held by the employee who prepares the materials for taxi driver training classes and his immediate supervisor.
37. Ensure that only authorized individuals have access to the electronic versions of the taxi driver exams.	Concur. Recommendation was implemented on April 16, 2014. Access to the electronic versions of taxi driver tests has been limited to specifically authorized staff by password protecting the files.
38. Ensure that only authorized employees have access to the taxi driver database and should restrict user access rights as necessary.	Concur. Recommendation was implemented on April 16, 2014. Access to the taxi driver database has been limited to authorized staff on an as-needed basis by password protecting the files. Taxi Services has already submitted a request our IT department to eliminate inactive accounts belonging to former employees.

Recommendation	Response
39. Implement a process to review expired taxi driver permits and, by coordinating with taxi companies, ensure that those whose permits have expired are no longer operating taxis in San Francisco.	Concur. Recommendation is in the process of being implemented. The resolution of this issue will be through the implementation of the RideIntegrity software and the integration of that system with the Ground Transportation Management System (GTMS) currently being implemented by the San Francisco International Airport (SFO). The driver database will reside in the RideIntegrity system and will notify the SFMTA, taxi companies and taxi drivers when permits are expiring or expired. The integration with the SFO system will create the capacity to block those expired permit holders from SFO. In addition, GTMS will provide "smart" A-Cards and handheld units for the use of Taxi Investigators to scan the card or enter driver information to determine if the driver has a valid permit in good standing. Issuance of the new "smart" A-Cards is expected to begin in August of 2014, with the distribution of all cards and 100% functionality of the GTMS system anticipated by January 2015.
40. Evaluate the feasibility of periodically assessing taxi drivers during the renewal process to ensure that they continue to have a clean driving record and meet the driving record requirement for being a taxi driver in San Francisco.	Concur. Recommendation has been implemented. Taxi Services has been working the Department of Motor Vehicles (DMV) for several years to implement DMV pull-notice capacity, but for technical reasons has not been authorized to connect to the DMV system. Accordingly, implementing DMV pull-notices has not been feasible to date. However, this issue will be solved through implementation of the GTMS system by SFO, which includes pull-notices for all drivers in the driver permit database. Full implementation of this capacity is expected by January, 2015.
41. If the taxi driver health prerequisites are not changed, assess whether taxi drivers continue to be in good health.	As stated in our response to Recommendation #33, Taxi Services staff will draft legislation for consideration by the Board of Directors to eliminate this requirement for new taxi drivers by the first quarter of 2015.

Recommendation	Response
42. Update its taxi permit policies and procedures to ensure that they are comprehensive and reflect management's objectives.	Concur. This is an ideal time for a comprehensive update of all taxi permit policies and procedures due to implementation of new technology systems and an imminent change in leadership of the Division of Taxis and Accessible Services. Staff will draft updated policies and procedures by the first quarter of 2015.