

Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General

**Controls Over the
Driver License Monitoring System**

The Corporate Safety Department is monitoring data in the Driver License Monitoring System for most Operations Department employees. However, driver license information is not centrally monitored for employees assigned outside of the Operations Department, although departments outside of Operations have non-revenue vehicles. This increases the risk that a Metro vehicle might be driven by an employee without valid or current license.



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DATE: January 23, 2012

TO: Arthur Leahy
Chief Executive Officer

FROM: *Jack Shigetomi*
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SUBJECT: Controls over the Driver License Monitoring System, Report No. 12-AUD-03

The Office of the Inspector General (OIG) performed a review of controls over the Driver License Monitoring System. The objective of this review was to evaluate the adequacy of controls over monitoring Metro employees' driver licenses to ensure that employees have a valid license.

We found that the Corporate Safety Department uses DLMS to monitor employee driver licenses for Operations Department employees. However, employees assigned outside of the Operations Department were not being centrally monitored, although some of these departments have non-revenue vehicles. The lack of a monitoring system for these departments increases the risk that Metro vehicles might be driven by employees without valid or current licenses.

This report makes several recommendations to improve monitoring employee driver licenses. Metro management agreed with the findings in the report and provided a corrective action plan to track the validity of driver licenses of employees assigned outside of the Operations Department who drive Metro vehicles.

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INTRODUCTION

The Office of the Inspector General (OIG) performed a review of controls over the Driver License Monitoring System (DLMS).¹ This review was conducted as part of our ongoing program to assist Metro in improving the economy and effectiveness of operations, ensuring the adequacy of internal controls and procedures, and deterring fraud, waste, and abuse. The objective of this review was to evaluate the adequacy of controls over monitoring Metro employees' driver licenses to ensure that employees have a valid license and, where applicable, have required medical certificates.

We found that the Corporate Safety Department with assistance of Information Technology Services (ITS) is adequately monitoring employee driver licenses and, where applicable, medical certificates using the DLMS for certain Operations departments.² However, employees assigned to departments outside of Operations were not being centrally monitored, although some of these departments have non-revenue vehicles. Therefore, vehicles assigned to these departments could potentially be driven by employees without valid or current licenses.

OBJECTIVES, METHODOLOGY AND SCOPE OF REVIEW

The objective of the review was to evaluate the adequacy of controls over monitoring Metro employees' driver licenses to ensure that employees have a valid license and, where applicable, ensure that employees have required medical certificates. This review covered four areas: (1) Metro Operations departments monitored by the DLMS coordinator, (2) contract bus operations, (3) Metro motor pools, and (4) other Metro departments assigned non-revenue vehicles. To accomplish the objectives of the review, we:

- ▲ Interviewed appropriate staff in Human Resources (HR), Corporate Safety, ITS, General Services, and the Operations Department.
- ▲ Reviewed driver license information within the HR database.
- ▲ Obtained an extract of the DLMS from ITS and reviewed driver license and medical certificate information.
- ▲ Obtained and reviewed a list of non-revenue vehicles assigned to various departments.

¹ Also called the DMV system.

² Transportation and Maintenance Divisions, Bus Operations Control, Rail Transportation, Wayside Systems Facility Maintenance, Fleet Services, and Maintenance Support Services Center.

- ▲ Reviewed applicable laws and Metro policies.

This review was performed in accordance with Generally Accepted Government Auditing Standards. Because of the limited scope of this review, and our lack of direct access to the California Department of Motor Vehicles (DMV) database, we did not review the internal controls or risk assessment regarding the data input to the underlying data.

BACKGROUND

California Law requires all drivers of revenue passenger vehicles, such as busses, to be licensed to drive that class of vehicles, and also have a valid medical certificate. Metro policy also requires all employees who drive Metro vehicles to be properly licensed. See Attachment A for details.

RESULTS OF REVIEW

We found that:

- ▲ The DLMS Coordinator was providing satisfactory oversight of driver licenses and medical certificates for Metro bus and rail Operations departments.
- ▲ Contract bus lines have adequate controls in place to monitor driver licenses and medical certificates.
- ▲ Metro motor pools have controls in place to monitor driver licenses for employees who use non-revenue vehicles.

However, there was no process in place to monitor the driver licenses of employees assigned outside of the Operations Department who drive Metro vehicles. Some of these departments are assigned non-revenue vehicles. Therefore, vehicles assigned to these departments could potentially be driven by employees who do not have a valid or current driver license. For some of these departments, we found employees who did not have driver licenses or their licenses had expired.

1. Bus and Rail Operations Departments

We found that the DLMS Coordinator in the Corporate Safety Department oversees DLMS data and monitors driver license information for employees assigned to certain departments within Operations (e.g., Transportation, Maintenance, Bus Operations Control, Rail Transportation, Wayside Systems, Fleet Services, and Central Maintenance). The Coordinator uses DLMS quarterly to identify employees with driver license or medical

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certificate issues and provides this information to applicable managers for follow-up and comment. The managers respond with comments and corrective actions. Managers also provide feedback directly into DLMS concerning actions taken or revised status. In addition, managers are required to monitor DLMS for problems on a continuous basis.

Furthermore, the California Highway Patrol performs an annual oversight review of Metro's compliance with licensing and medical certificate requirements. The most recent Transit Operator Compliance Certificate, dated August 24, 2011, certified that Metro was in compliance with Vehicle Code 1808.1, regarding participation in the DMV Pull Notice Program, and with Section 12804.6, regarding transit bus operator medical certificates.

2. Contract Bus Operations

We found that the contractors who operate Metro bus lines are responsible for the licensing and medical certificates for their employees. Metro's Transportation Contract Services Department performs oversight for these contractors, including monthly on-site inspections and reviews of the driver licensing and medical certificate records maintained by the contractors. These contractors are also inspected annually by the California Highway Patrol.

3. Metro Non-Revenue Vehicle Motor Pools

Metro has two motor pools for employees to use vehicles on an as needed basis. The Gateway motor pool has 38 assigned non-revenue vehicles and the Central Maintenance Facility motor pool has 3 non-revenue vehicles available for use. The managers of both motor pools informed us that their staffs verify with DLMS that the employee is properly licensed before an employee is allowed to use a vehicle. DLMS procedures contain instructions for checking out a motor pool vehicle including verifying the employee's driver license status.

In October, an OIG employee checked out a vehicle from the Gateway motor pool. We confirmed that the DMLS database showed that this employee had a valid California driver license. In addition, the motor pool staff emphasized several safety matters concerning use of a hybrid car, which the employee had not previously driven. Specifically, he explained in detail how to start and turn off the vehicle; and cautioned to be careful to watch for pedestrians while driving and backing up because they cannot hear the hybrid car and may assume it is safe to cross in front of the car.

4. Other Metro Departments

We found that a process was not in place to monitor the driver license of employees assigned outside of the Operations Department who drive Metro vehicles. Metro has 1,013 non-revenue vehicles of various types assigned to 97 cost centers (see Attachment A). Of the 1,013 non-revenue vehicles, 679 vehicles were assigned to 68 cost centers in departments

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outside of Operations and not monitored by Corporate Safety for driver license compliance. We found that 15 of the 68 cost centers had 28 employees who had a blank date in the expiration field (16 employees) or an expired date (12 employees). We believe that at these cost centers there is the potential for employees to drive Metro vehicles without the proper license. This could expose Metro to exacerbated liability in the event of an incident such as an accident.

Policy GEN 16 (see Attachment A) requires all employees who drive Metro non-revenue vehicles to have a valid California driver license. The policy places responsibility for compliance on both the employee and managers. However, the policy does not provide specific procedures nor does the policy require departments to establish their own procedures.

5. Employee Information in the HR Database

The HR database contains employee information such as driver license, home address and telephone number, and emergency contact. When an employee is first hired, HR inputs this information into the database. Any subsequent changes are made by the departments. The Personal Data Sheet (Pers-201) form (see Attachment B) is submitted by the employee to his/her manager to update the HR database and any departmental data.

We found that driver license information on the HR database was not updated for many employees. The HR database contains fields for each employee's driver license number and the expiration date. We queried this database on June 30, 2011, and found a total of 8,943 active, regular employee records. We found that of the total of 8,943 employee records, 3,774 had either expired license dates (3,770), or blank expiration dates (4), while the remaining 5,169 records had current driver license dates, as shown below:

	Total Employees	License Date Current	Recorded Date Expired or Blank	Percent Outdated
Operations Department ³	5,727	4,322	1,405	24.5%
Other Departments	<u>3,216</u>	<u>847</u>	<u>2,369</u>	73.7%
	<u>8,943</u>	<u>5,169</u>	<u>3,774</u>	

The above data shows that while departments were not updating driver license data in the HR database, it does not necessarily reflect that these employees had invalid or expired licenses. This occurred because departments are not required to keep the driver license information updated in the HR database since DLMS is the official repository for this information. However, only cost centers under the Operations Department had access to the DLMS

³ This includes most, but not all of the cost centers under the Operations Department; it includes only the departments monitored by the DLMS coordinator.

system. We believe that departments outside of Operations should either use the HR database to monitor the driver license status of employees or be provided DMLS information.

If the driver license information in the HR database was not being updated, some other employee information such as emergency contact, home address and telephone number may also be outdated. Current contact information is important in cases such as emergencies. We believe that HR should periodically inform employees of the importance of, and their responsibility for, informing their managers, and Metro of any changes to their personal data.

6. Expired Employee Driver Licenses

On November 16, 2011, we obtained the most recent list from the DLMS. We found a total of 21 individuals in cost centers not monitored by Corporate Safety who had expired driver licenses. Of the 21 individuals, we determined that four of them met the following criteria:

- a. Expired driver license,
- b. Assigned to cost center not monitored by Corporate Safety,
- c. Job description mandated a valid California driver license as a condition of employment, and
- d. The cost center had non-revenue vehicles available for use.

We determined that these 4 individuals had, fortunately, not driven a Metro vehicle assigned to their department after their driver license expiration date. The managers of these individuals responded that they had not driven a vehicle.

The other 17 individuals with expired driver licenses worked for departments that were not assigned Metro vehicles, or their job position did not require a driver license; therefore, we did not follow up with their managers to determine whether they recently drove vehicles.

CONCLUSION

We found that controls were adequate to ensure that Metro and contract bus operators have valid driver licenses and medical certificates. Also, Metro motor pools have adequate controls in place to monitor driver licenses for employees who use non-revenue vehicles.

However, we found that there is no central system to monitor the status of driver licenses for employees who are assigned outside of the Operations Department. Therefore, Metro needs to establish a process that assures these employees are properly licensed before allowing them to drive Metro vehicles.

RECOMMENDATIONS

We recommend that:

1. The Operations and Corporate Safety Departments should either:
 - a. Revise Policy GEN 16, Non-Revenue Passenger Vehicles, to require all departments and cost centers, except for those that are being monitored by the DLMS coordinator, with assigned non-revenue vehicles to establish and follow procedures to assure that all employees are properly licensed before driving these vehicles, or
 - b. Expand the scope of the DLMS coordinator to include all departments.
2. The Corporate Safety Department should advise managers of other departments that the DLMS Coordinator is available to provide assistance with verifying driver license information.
3. The Human Resources Department should:
 - a. Inform department managers outside of the Operations Department that they can maintain and use driver license information in the HR database to track driver license information for their employees, and
 - b. Periodically inform employees of the importance of, and their responsibility for, informing their managers, and Metro, of any changes to their personal data.

MANAGEMENT COMMENTS

On January 19, 2012, Metro management provided the OIG with comments to the draft report. Management agreed that corrective action is needed to track the validity of the driver licenses of employees assigned outside the Operations Department who drive Metro vehicles. In lieu of the three recommendations in this report, Metro management provided the following alternative corrective action plan:

The Human Resources department will periodically request from the ITS department a report that shows driver license expiration dates of all employees who are not currently being monitored by the DLMS coordinator. Using this report, the Human Resources department will update their database as needed. If a particular employee's license will expire within 30 days of the report date or has expired, HR staff will notify the employee's Manager who will be responsible for notifying the

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employee to either provide evidence of a new valid driver license which must be submitted to HR, or withholding that employee from driving a Metro vehicle. In cases where HR staff needs clarification on the status of an employee's driver license, they will contact the DLMS coordinator in the Corporate Safety department.

EVALUATION OF MANAGEMENT COMMENTS

Metro management's proposed corrective action plan is responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations in the report resolved based on the corrective action plan. Although the recommendations are resolved, staff must follow up on the recommendations that are still open until all corrective actions are completed. This requirement is set forth in Management Audit Services Audit Report Follow-up & Resolution Policy (MAS 1).

Additional Background Information

California Law and Regulations

California law⁴ prohibits permitting anyone to drive a motor vehicle owned by an employer unless the employee is licensed for the appropriate class of vehicle to be driven. When an employee drives a Class A or Class B vehicle, the employer shall also ascertain that the employee has medical certificate.⁵ When an employee fails to qualify for a medical certificate, the employer shall report that failure to the DMV. DMV guidance⁶ specifies that a Commercial Class B License is required to drive a bus. Therefore, Metro bus operators are required to have a Class B license and a medical certificate. Standard passenger vehicles require a Class C license.

Human Resources Database and DMLS Both Contain Driver License Information

The HR database contains fields for employees' driver license number and the expiration date. An HR official told us that they input driver license and expiration date information into the HR database when employees are hired and do not subsequently update this information. Departments are not required to update the driver license information in the HR database since the Driver License Monitoring System (DLMS) is the official repository for this information. The DLMS coordinator does notify HR in the rare instances where a driver license number changes.

DLMS User Manual

The User Manual for the DLMS,⁷ dated October 20, 2010, states that ITS extracts the driver license information from the HR database upon hiring employees to add to the DLMS and uploads the list to the Department of Motor Vehicles (DMV) as part of the Employer Notification, Pull Notice Program.⁸ Thereafter, DMV updates DLMS electronically on a continuous basis with driver license, medical certificate and status information.⁹ The Executive Officer, Corporate Safety is responsible for the DLMS system and the DLMS Coordinator is the primary contact for system access, training, and maintenance. Managers and supervisors are required to monitor DLMS to assure that their employees are properly licensed and have medical certificates as required, and document any relevant information, including renewal information that is not yet documented by the DMV. Casual and non-commercial drivers are monitored through the DLMS Pool Vehicle Checkout systems in the two motor pools located at the Gateway building and at the Central Maintenance Facility.

⁴ Vehicle Code (VC) §14606

⁵ VC §12804.9

⁶ California Commercial Driver License Handbook

⁷ Corporate Safety Department Intranet web page

⁸ VC §1801.1

⁹ Includes expirations, suspensions, violations, etc.

Additional Background Information

Metro Non-Revenue Vehicle Policy

General Management Policy GEN 16, Non-Revenue Passenger Vehicles,¹⁰ effective December 23, 2009, requires that drivers of Metro non-revenue passenger vehicles shall have a valid California driver license. The policy specifies that employees are responsible for maintaining a valid California driver license. However, the policy does not specify the departmental controls to assure that non-revenue vehicle drivers comply with the provisions of the policy.

Number of Non-Revenue Vehicles

As of August 16, 2011, Metro had 1,013 non-revenue vehicles of the following types assigned to 97 cost centers:

Type of Vehicle	Number
Full Size Van	203
Minivan or truck	22
Sedan	367
SUV	123
Trailer	1
Truck, Large, Diesel	56
Truck, Large, Utility, gas	147
Truck, Pickup, Diesel	6
Truck, Pickup, Gas	88
Total	<u>1,013</u>

Included in this total are 38 vehicles in the motor pool operated by General Services and 3 vehicles in the motor pool operated by Central Maintenance.

¹⁰ Generally, any vehicle other than buses or rail cars.

Employee Data Entry Form



Los Angeles County Metropolitan Transportation Authority

152723
Pers-201

Personal Data Sheet

Badge/Employee No.	Effective Date	Dept./Division No.	
EMPLOYEE NAME			
Last	First	Middle Initial	Suffix (e.g. Jr., III)
PERSONAL INFORMATION			
1. Sex <input type="checkbox"/> - Male <input type="checkbox"/> - Female	2. Social Security No.	3. Date of Birth	
4. Marital Status <input type="checkbox"/> - Single <input type="checkbox"/> - Married <input type="checkbox"/> - Divorced <input type="checkbox"/> - Widowed	5. Place of Birth (City, State)		
6. Race/Ethnicity Please indicate the race and ethnic category which you most closely identify with below. Check only <u>one</u> category:			
<input type="checkbox"/> - Hispanic or Latino <input type="checkbox"/> - White (Not Hispanic or Latino) <input type="checkbox"/> - Black or African American (Not Hispanic or Latino) <input type="checkbox"/> - Native Hawaiian or other Pacific Islander (Not Hispanic or Latino) <input type="checkbox"/> - Asian (Not Hispanic or Latino) <input type="checkbox"/> - American Indian or Alaska Native (Not Hispanic or Latino) <input type="checkbox"/> - Two or More Races (Not Hispanic or Latino)			
ADDRESS			
Current Address (No. & Street)			
[City & Zip Code]			
Home Telephone No.		Work Phone No.	
CITIZEN INFORMATION, IF NOT A U.S. CITIZEN			
Visa Type	Country	Visa Expiration Date	
DRIVER'S LICENSE			
Driver's License No.		Expiration Date	
EMERGENCY CONTACT			
Name		Telephone No. (circle one): Home Work Cell	
PHYSICAL EXAM/MILITARY STATUS			
Last Physical Exam (Month/Day/Year)	Military Status <input type="checkbox"/> - A. Active Reserve <input type="checkbox"/> - R. Retire <input type="checkbox"/> - O. Other <input type="checkbox"/> - N. Inactive Reserve <input type="checkbox"/> - V. Vietnam Era		Military Reserve Status (Branch/Unit)
Pay Location (Paycheck will be sent to this location)			
Employee Signature		Date	

Copy of Management Comments to Draft Report



Metro

Interoffice Memo

Date	December 21, 2011
To	Karen Gorman Acting Inspector General
Through	<i>Arthur T. Leahy</i> Arthur T. Leahy Chief Executive Officer
From	<i>Vijay Khawani</i> Vijay Khawani Executive Officer, Corporate Safety
	<i>Stefan Chasnov</i> Stefan Chasnov Deputy Executive Officer, Human Resources
Subject	Response to OIG Draft Report on Controls Over the Driver License Monitoring System (Report No. 12-AUD-03)

OVERVIEW

We have reviewed the results of the subject draft report, and concur with the findings in the report.

We recognize that corrective measures must be undertaken to track the validity of driver licenses of employees outside of the Operations Department who drive Metro vehicles.

PROPOSED CORRECTIVE ACTIONS

In discussions between the Corporate Safety, ITS, and Human Resources department staff, we propose to do the following to address the findings in the report:

- The Human Resources department will periodically request from the ITS department a report that shows the driver license expiration dates of all employees who are not currently being monitored by the DLMS coordinator. Using this report, the Human Resources department will update their database as needed. If a particular employee's license will expire within 30 days of the report date or has expired, the HR staff will notify the employee's Manager who will be responsible for notifying the employee to either provide evidence of a new valid driver license which must be submitted to HR, or withholding that employee from driving a Metro vehicle. In cases where the HR staff needs clarification on the status of an employee's driver license, they will contact the DLMS coordinator in the Corporate Safety department.

Copy of Management Comments to Draft Report

Should you have any questions, please feel free to call Stefan Chasnov at 25223 or Vijay Khawani at 24035.

Thank you.

cc: P. Taylor
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