

**Los Angeles County  
Metropolitan Transportation Authority  
Office of the Inspector General**

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**Review of Rail Fare  
Inspection Program**

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*Overall, the inspection fare inspection function was meeting the intent and requirements of the program. However, Metro should continue to work to refine the fare evasion strategy and methodology, reduce the fare evasion rate, and develop standards for inspection performance.*

Report No. 10-AUD-05

April 15, 2010



**Review of Rail Fare Inspection Program  
Report No. 10-AUD-05**

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**TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTION .....	1
SUMMARY OF REVIEW .....	1
OBJECTIVES AND SCOPE OF REVIEW .....	2
BACKGROUND .....	3
RESULTS OF REVIEW .....	6
A.    Fare Evasion Rates .....	6
1. Fare Checks Increased and Fare Evasion Rates Decreased .....	6
2. Fare Enforcement Operations .....	8
B.    OIG Observations of Fare Inspection Activities .....	8
C.    Hand Held Validators Should Be Evaluated .....	10
D.    Clarification for Certain Assignments .....	11
RECOMMENDATIONS .....	12
MANAGEMENT COMMENTS .....	13
EVALUATION OF MANAGEMENT COMMENTS .....	15
ATTACHMENTS	
A.    FY 2009 Fare Check Saturation Rates .....	16
B.    FY 2009 Fare Evasion Rates .....	17
C.    Fare Inspection Observation Sheet .....	18
D.    Management Comments to Draft Report .....	19
E.    Final Report Distribution .....	22



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**DATE:** April 15, 2010

**TO:** Board of Directors  
Chief Executive Officer

**FROM:** *Jack Shigetomi*  
Jack Shigetomi  
Deputy Inspector General - Audits

**SUBJECT: Review of Rail Fare Inspection Program (Report No. 10-AUD-05)**

## **INTRODUCTION**

Management from the Metro Rail and Bus Operations and the Los Angeles Sheriff's Department (LASD) Transit Services Bureau requested the Office of the Inspector General (OIG) to conduct an independent review of the fare inspection program. This review included the fare inspection process for rail and the Orange Line bus operations. The Orange Line was included in the review because its boarding process is similar to rail, and passenger fares are inspected by LASD personnel rather than by the bus operator upon boarding.

This review was jointly performed by OIG audit and investigation staff, and was conducted as part of our ongoing program to assist the Los Angeles County Metropolitan Transportation Authority (Metro) in implementing an effective internal control system and deterring fraud, waste, and abuse.

## **SUMMARY OF REVIEW**

Overall, we found the fare inspection program met the intent and requirements in the Community Policing Services Memorandum of Understanding (MOU). In addition, several recent actions initiated by Metro and the LASD should enhance the program. However, refinements are needed in areas pertaining to hand held validators and clarification of the requirement for LASD staff presence to perform security sweeps at certain stations. In addition, Metro should continue working with LASD to refine the fare evasion strategy and methodology, reduce the fare evasion rate, and develop standards for fare inspection performance.

- ▶ The LASD increased the number of fares checked (saturation rate), which resulted in a decrease in the fare evasion rate during fiscal year (FY) 2009.
- ▶ Our unannounced observations at Metro rail stations found that LASD personnel for the most part appeared to be performing activities consistent with the Transit Community Policing Program.
- ▶ The recent Community Policing Services MOU between Metro and the County of Los Angeles contains a more comprehensive fare enforcement plan than the prior MOU. This plan should enhance the implementation of fare enforcement strategy and methodology.
- ▶ Metro has recently transitioned from paper media to an electronic fare card, Transit Access Pass (TAP), and has begun the installation of gating at subway stations and selected light rail stations. These actions should enhance the fare enforcement operations. There are still some paper media to verify such as Metrolink passes.
- ▶ Metro needs to evaluate the number of hand held validators (used to read fare data on TAP cards) to ensure that sufficient and reliable devices are available for the fare enforcement function.
- ▶ Metro should clarify in the MOU, or in a joint agreement, the process and requirements for LASD personnel presence at certain stations to perform security sweeps.

## **OBJECTIVES AND SCOPE OF REVIEW**

The objectives of this review were to:

- ▶ Evaluate whether the fare inspection program met the requirements in the Community Policing Services MOU.
- ▶ Identify opportunities to improve Metro fare inspection operations.

This review focused on fare inspection operations for the Red, Blue, Green, Purple, Gold, and Orange Lines. During the review, we:

- ▶ Interviewed rail and bus operations management officials and LASD officers.
- ▶ Reviewed documents and external reports concerning fare inspections.

- ▶ Reviewed the MOU for transit community policing services between Metro and the County of Los Angeles.
- ▶ Gathered and examined data compiled by Metro and LASD including Metro historical ridership data, LASD Monthly Management Reports, Weekly Activity Reports, In-Service Sheets, archival information, and other related information.
- ▶ Conducted (a) unannounced checks of fare inspection activities at Metro rail lines and Orange Line stations, and (b) observed the LASD fare enforcement operations conducted in May 2009.
- ▶ Calculated fare check saturation and fare evasion rates based on monthly management report data prepared by LASD and ridership data generated by Metro Service Planning and Development Department.

The audit portion of the review was conducted in accordance with Government Auditing Standards and included such tests of the procedures and records, as we considered necessary under the circumstances.

## **BACKGROUND**

### **1. Fare Inspections**

Metro uses the proof of payment method for fare enforcement. Characteristics of the proof of payment method include: (a) barrier-free platforms or entrances, (b) passengers boarding without needing to show proof of fare, (c) random or spot inspections for valid proof of payment, and (d) passengers are not able to pay while in transit. Because Metro uses the proof of payment method, there is a need for fare inspectors. Passengers are required to show a valid fare when asked by a fare inspector. Currently, the LASD performs the fare inspection function for Metro rail lines.

### **2. Transit Community Policing Services MOU**

Since May 2003, LASD has provided Community Policing Services to Metro. On June 30, 2009, a new MOU was signed for a 3-year period, beginning July 1, 2009. This MOU contains a more comprehensive fare enforcement plan than the prior MOU. The purpose of the Transit Community Policing Program is to enhance the safety and security of customers, employees, and assets. The MOU states that Metro, along with LASD, will develop a program that focuses on prevention and quality of life issues including:

- Disorderly conduct
- Vandalism

## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

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- Graffiti
- Fare Evasion
- Other violations of Section 640 of the Penal Code

LASD uses both civilian security assistants (SA) and sworn Deputies<sup>1</sup> for fare enforcement on Metro rail and the Orange Line. The MOU, effective July 1, 2009, lists a number of LASD service units including 71 SA's, 54.43 56-hour two-Deputy units, 49 56-hour one-Deputy units, 22 motor units, 13 team leaders, and 6 canine Deputies. In addition to fare enforcement, Deputies also perform other Transit Community Policing duties. LASD personnel issue citations or warnings to passengers who fail to provide proof of payment.

The MOU contains a Fare Evasion Enforcement Plan. The overall goal of the plan is to reduce the fare evasion rate throughout the Metro rail system to less than 2% while maximizing LASD visibility throughout the Transit System. As a means to reach this goal, a 10% saturation rate is set as an objective. The plan lists the following goals and five strategies or courses of action for enforcing fares:

- Saturation coupled with ubiquitous risk
- In transit checks
- Diverse targeting (quality of life and fare evasions)
- Public Information
- Target identification

### 3. Transit Security Report

In December 2008, a consultant report<sup>2</sup> on Metro Transit Security was issued. While the report covered all transit security operations, several issues in the report impacted the fare inspection functions. The report found that:

- ▶ The security function was bifurcated between LASD and Metro Transit Security. Friction occurred because there was no clear delineation of the roles and responsibilities for the two agencies to work together.
- ▶ Effective management of any function requires reliable and timely information. Currently, there is a “push” system for distributing information. The report recommended augmenting existing procedures with a “pull” system<sup>3</sup> for distributing information to gain a better perspective and broader scope of factors and influences in play.

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<sup>1</sup> Sworn personnel with full authority as set forth in the California Penal Code and regulated by the California Commission on Peace Officer Standards and Training.

<sup>2</sup> Metro Transit Security, Sid Heal, December 23, 2008.

<sup>3</sup> A “pull” system allows authorized users to access data that is important to them; a “push” system sends pre-selected reports/data to users.

LASD officials advised us that they are working on two database programs to improve information for LASD and Metro management. When both of these systems are fully operational, information concerning individual LASD staff activity such as citations issued, warnings given, arrests made, and buses or trains ridden will be easily obtained for any time period. Utilizing this data and comparing it to other indices will allow managers to formalize action plans to address crime and quality of life issues on various lines, stations, and locations.

- ▶ The fare evasion issue is critical to both the security and financial well being of Metro. It is well established that the likelihood of a person to be evading fare decreases as expectation of being checked increases.
- ▶ The report revealed some issues that need to be jointly addressed to alleviate tension and facilitate collaboration. These included identifying an efficient way of capturing, storing, retrieving, distributing, and reporting data used by both LASD and Metro; and establishing a comprehensive, written strategy to provide the essential focus to ensure best practices and effective management. Metro has taken action; the new MOU contains a Fare Evasion Enforcement Plan that outlines specific strategies.

#### **4. Reorganization of Metro's Security Operations**

On August 3, 2009, the Chief Executive Officer (CEO) announced a reorganization of Metro's security operations management. Under the reorganization, the Deputy CEO will assume direct responsibility for the management of security operations, and will serve as Metro's project manager for the policing services MOU. In addition, the LASD will assume responsibility for the day-to-day operations of Metro Security. We believe that this reorganization will enhance coordination and communication between LASD and Metro. In addition, the reorganization is consistent with correcting the matter discussed in the December 2008 consultant report that Metro's security function is bifurcated between LASD and Metro Transit Security, and there is no clear delineation of the roles and responsibilities for the two agencies to work together.

#### **5. Recent Actions that Affect Fare Inspections**

- ▶ Implementation of Transit Access Pass Cards. In late FY 2009, Metro transitioned from paper media to an electronic TAP Card system. Under the paper media system, fare inspectors could visually verify the validity of a passenger's fare. However, the information for TAP Cards has to be read by a special electronic reader. Fare inspectors must use hand held validators to verify the patrons' TAP Cards. In our opinion, the electronic card readers will increase the accuracy and facilitate the tracking of the number of fares checked. In turn, this will provide more accurate, complete, and timely information to LASD and Metro management to measure fare

inspection activities and productivity. Currently, the number of fares checked is determined by electronic fare validators, manual counters, or the number is estimated.

- ▶ Installation of Turnstile Fare Gates. Metro has begun installing turnstile fare gates. When completed in 2010, a total of 379 fare gates will be installed at Metro Red Line, Purple Line, and Green Line stations and key stations on the Blue and Gold Lines. Installation of gates would affect the fare inspection strategy and methodology. The gates will provide a barrier that could be used as a fixed post where security personnel could monitor, and enforce fare policy and quality of life issues. In contrast, the strategy for an open system relies more on roving inspections, in-transit inspections, and saturation enforcement actions.

## RESULTS OF REVIEW

Overall, we found the fare inspection program met the intent and requirements in the Community Policing Services Memorandum of Understanding (MOU). In addition, several recent actions initiated by Metro and the LASD should enhance the program. However, refinements could be made in several areas to enhance the program.

### A. Fare Evasion Rates

#### 1. Fare Checks Increased and Fare Evasion Rates Decreased

Our analysis of fare inspection records for all rail lines and the Orange Line found that the number of fare checks increased and the fare evasion rate declined during FY 2009. We calculated the fare check saturation rate<sup>4</sup> and the fare evasion rate<sup>5</sup> for FY 2009. We found that LASD had significantly increased the number of fares checked (saturation rate). For example, the monthly saturation rate increased from 1.41% in September 2008 to 11.73% in May 2009 (see Attachment A). We also found that as the saturation increased, the monthly fare evasion declined (see Chart 1 on next page). For example, the fare evasion rate decreased from 4.59% in September 2008 to 1.01% in April 2009 (see Attachment B). Our calculations were based on LASD Monthly Reports and Metro ridership data. We did not verify the accuracy or completeness of this data since it was impractical to do so because some of the data was based on estimates. The full implementation of TAP for all riders will provide more accurate ridership data and the number of fares checked.

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<sup>4</sup> Fare check saturation rate was calculated by dividing the total number of passengers checked for proof of payment (from LASD's "MTA Monthly Report") by the total number of passengers (from Metro ridership data).

<sup>5</sup> Fare evasion rate was calculated by dividing the total number of patrons found with invalid fares (from LASD's "MTA Monthly Report") by the total number of passengers checked for proof of payment.

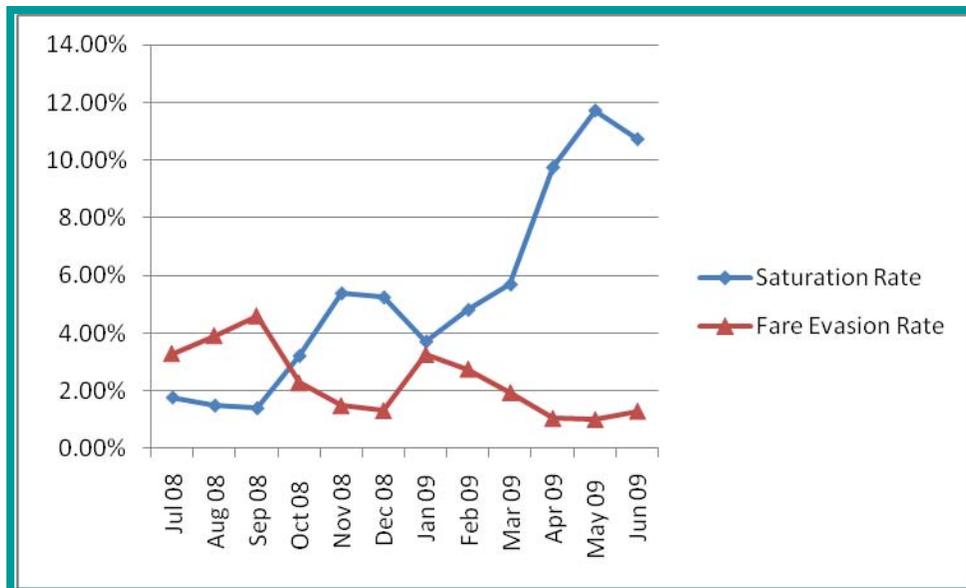
## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

According to LASD officials, the fare evasion rates cited may not measure all revenue loss. The fare inspections measured who had valid fare cards/tickets but did not always confirm if the fare was paid by the patron. For example, a valid fare or ticket might have been given or sold by one rider to another. Also, when riders see the fare inspectors, they purchase a fare but might not have done so if the inspectors were not visible. In other instances, patrons without valid fares take action to avoid being checked by the fare inspectors. Moreover, LASD officials stated that they could not always confirm whether a TAP card had a valid fare loaded because of a lack of HHVs or inoperable devices. We believe that the implementation of gating would help to resolve some of these matters.

**Chart 1: Metro Saturation and Fare Evasion Rates for FY 2009**



The above chart indicates that there is a correlation between the rate of fare checks and fare evasion. This is because as the likelihood of fare checks increase, passengers are less likely to risk fare evasion.

LASD officials told us that during the first part of 2009, they modified deployment to increase focus on team deployments at large stations, which accounted for the increase in the number of patrons checked for fares. They utilized various deployment methodologies, and periodically change tactics.

The fare check saturation rate is the fundamental measure of the level of an agency's inspection effort. The recent MOU sets a goal of reducing fare evasion to less than 2% and sets an objective of a 10% saturation rate. We believe that LASD and Metro should work together to refine the strategies and methodologies to achieve these goals.

**2. Fare Enforcement Operations**

During 5 days in May 2009, the LASD conducted fare enforcement operations at 5 stations (one station each day for a 6 hour-period). The purpose of this operation was to determine the fare evasion rate. During these operations, LASD personnel checked patrons entering and departing the station area. The OIG observed these fare inspection operations. We concluded that the operations were adequately planned and executed. The results of the fare enforcement operation showed an overall 2.74% fare evasion rate (see Table 1). This fare evasion rate might not be valid for the entire system since inspection consisted of only 5 stations and was conducted only during the morning hours on work days. An additional community policing outcome from these inspections was that 39 arrests were made during the operation. While the arrests might not have been directly related to the penal code for transit, the arrests were consistent with the purpose of the Metro Transit Community Policing Program to “enhance the safety and security of Metro’s customers, employees, and assets.”

**Table 1: Results of Fare Enforcement Operation<sup>6</sup>**

<b>Line/Station</b>	<b>Patrons Checked</b>	<b>Citations</b>	<b>Warnings</b>	<b>Invalid Fares</b>	<b>Fare Evasion Rate</b>
Orange/North Hollywood	7,496	15	12	27	0.36%
Blue/Compton	1,100	51	43	94	8.55%
Red/7 <sup>th</sup> and Metro	8,925	168	250	418	4.68%
Green/Crenshaw	748	49	31	80	10.70%
Gold/Union Station	6,297	51	4	55	0.87%
<b>TOTALS</b>	<b>24,566</b>	<b>334</b>	<b>340</b>	<b>674</b>	<b>2.74%</b>

The fare evasion rate is an important measure because it provides an indication of the agency’s overall effectiveness and efficiency in inspection and enforcement. Metro needs to continue to monitor the fare evasion rate to identify any adverse trends and problem areas such as specific stations, days of the week or times with high fare evasion rates.

**B. OIG Observations of Fare Inspection Activities**

We made unannounced visits to all of the Metro rail and Orange Line stations to observe fare inspection activities. Our observations found that LASD Deputies and SAs for the most part appeared to be performing Transit Community Policing Services.

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<sup>6</sup> LASD officials provided us with the data from their fare enforcement operation.

## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

For 5 days, we made our visits during the following time frames:

- Tuesday, April 21; Wednesday, April 22; and Thursday, April 23, 2009: from 6 a.m. to 10 p.m., except observations on the Green Line were from 2 to 10 p.m.
- Saturday, April 25, 2009: from 2 p.m. to 10 p.m.
- Sunday, April 26, 2009: from 6 a.m. to 2 p.m.

On the above days, we traveled the Metro rail system and Orange Line. We disembarked at each station and recorded our observations on a predesigned worksheet (see Attachment C). We checked the station platform and mezzanine areas; in some instances, we also checked station entrances and Metro property outside the entrances. In total, we made 3,423 observations (2,379 of the observations were made at the station platforms and 1,044 were made in other station areas). Of this total, we observed LASD Deputies and/or Security Assistants at the stations on 224 occasions, as shown on Table 2:

**Table 2: Breakdown of Observations Made in Each Rail Line**

<b>Metro Line</b>	<b>Number of Observations Made by OIG Staff</b>	<b>Number of Times OIG Staff Saw LASD Staff<sup>7</sup></b>	<b>Percentage of Time OIG Staff Saw LASD Staff in the Observations</b>
Blue	691	52	7.53%
Green	419	0	0.00%
Red/Purple	1,238	115	9.30%
Gold	440	17	3.86%
Orange	635	40	6.30%
<b>Totals</b>	<b>3,423</b>	<b>224</b>	<b>6.54%</b>

For the 224 times that we saw LASD's staff, we observed 344 activities being performed. For the vast majority of incidents observed, we found that LASD personnel were performing

<sup>7</sup> We might not have seen LASD staff at some of the station stops because they could have been patrolling other station areas, making arrests, responding to emergencies or priority calls, checking Metro parking lots, or performing other roving duties. During the period of our observations, LASD Blue and Green Line weekly activity reports showed that 6,216 fares were checked, 141 citations were issued, 41 warnings were given, and 29 arrests were made. LASD officials advised us that Green Line fare enforcement is conducted at the mezzanine level and fare inspectors cannot be observed from the platform. In addition, LASD staff deployed to the Green and Blue Lines are not assigned to any particular station; they patrol the entire line. Therefore, it is possible that OIG staff could have been at one station while LASD personnel were at another station. Moreover, some LASD personnel were pulled from their regular assignments during the period of the OIG observations to attend a mandated "Disaster Service Worker" training which was due by May 1, 2009. Also, on April 23, 2009, some LASD staff were pulled from scheduled deployments to cover a rock concert and provide security during a power outage at a major rail station. During April 24 to 26, LASD Deputies and SAs were deployed to assist a "bus bridge" operation on the Blue Line.

## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

activities that appeared to be related to Community Transit Policing Services, including the fare enforcement function (see Table 3). These activities included conducting fare inspections, issuing citations or warnings, assisting customers, observing customers, performing security sweeps of trains, and patrolling the station. There were a few occasions where it was not evident whether the activity observed was work related such as persons clustering in a group and not asking patrons for proof of payment. Clustering gives the impression of not performing fare inspection/community policing duties and LASD staff should be trained and advised to avoid that behavior.

In about half of the observations, the SA's were observed performing direct fare inspection activities and security sweeps of trains. The MOU does not contain standards for fare inspection performance. Establishing such standards will provide metrics for measuring fare inspection performance.

**Table 3: Breakdown of LASD Activities Observed**

Key Categories of Activities Observed	Number of Activities Observed			Percentage of Activities Observed
	Deputies	Security Assistants	Total	
Coordinated fare enforcement operation	18	12	30	8.72%
Individual fare inspection	27	14	41	11.92%
Issuing citation or warning	7	5	12	3.49%
Helping customers	17	3	20	5.81%
Observing customers	47	18	65	18.90%
Security sweeping trains	24	26	50	14.53%
Patrolling the station	16	7	23	6.69%
Other activities appearing to be worked related	62	13	75	21.80%
Other activities worked related not evident	15	13	28	8.14%
<b>Totals:</b>	<b>233</b>	<b>111</b>	<b>344</b>	<b>100.00%</b>

### C. Hand Held Validators Should Be Evaluated

Hand Held Validators (HHV) are portable devices that LASD staff use to check the validity of a passenger's TAP card to determine whether the customer has proof of payment. Since Metro has transitioned to using electronic fare media, the HHVs are essential because fare inspectors cannot determine whether the patron has valid fares without the HHVs or use of the fixed card readers at the stations.

As of June 8, 2009, 59 of the 66 HHVs assigned to LASD were available for deployment. Three of the 66 HHVs were out for repair and four others were missing. LASD officials stated they need an additional 74 HHVs for fare enforcement operations (see Table 4). Due

## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

to the limited number of HHVs available for deployment to support operations and the 8 hours charging requirements needed between shifts, presently only Team Leader Deputies and SA's are trained to use the HHVs.

**Table 4: List of Hand Held Validators (HHVs)**

Location	Current HHVs Assigned	HHVs Available for Deployment	HHVs Out for Repairs	HHVs Missing	Additional HHVs Needed
Gateway	29	24	1	4	36
Rail Operations Control	29	27	2	0	21
Chatsworth	8	8	0	0	17
<b>Total:</b>	<b>66</b>	<b>59</b>	<b>3</b>	<b>4</b>	<b>74</b>

Between March 31, and April 3, 2009, the Service Area Lieutenants of LASD checked the HHVs deployed during peak morning and evening operating cycles, as well as the lunch time at certain venues. They found that half of the HHVs went down and it took 20 minutes each to reboot during the Red Line checks; also, 5 of the 7 HHVs utilized on the Orange Line checks were dysfunctional during the operation.

On September 17, 2009, LASD officials told us that they needed newer, smaller, more reliable HHVs, and enough hand held devices for all LASD staff so that required fare checks can be made. They stated that it takes longer to validate TAP cards versus paper media, which only required a visual inspection.

Poor reliability or unavailability of HHVs could adversely impact the fare inspection process. We believe that Metro needs to evaluate the number of HHVs needed for fare inspections considering back-up devices and re-charging times. Also, the evaluation should consider the impact that gating certain rail stations would have on HHV requirement. Metro could minimize the expense of purchasing HHVs by purchasing some combination of HHVs and extra batteries, so that an extra charged battery could be swapped with a low battery. In addition, before leaving the station, each LASD staff should check their HHV to ensure that it is operational and the battery is fully charged so they obtain maximum utilization of the HHV while on deployment.

### **D. Clarification for Certain Assignments**

The MOU should be updated to reflect the requirement for LASD staff presence at all times at certain rail stations to perform security sweeps. We found that there were some differences in the expectations and understanding of this requirement between Metro and LASD staff.

The Director of the Red Line Rail Transportation Operations stated that LASD personnel should be present at all times at four Metro stations to perform security sweeps at the terminus of the lines. The sweep coverage can be a combination of Deputies and/or SAs. The General Manager, Rail Operations, stated “it is a requirement that Metro is paying for and one that is required to run an efficient operation.” The Director identified the following four stations included in this requirement:

- Union Station (Red/Purple Lines);
- North Hollywood Station (Red Line);
- Wilshire/Western Station (Purple Line), and
- 7<sup>th</sup> Street/Metro Center Station (Blue Line)

During our observations of rail stations in April 2009, we found that LASD staff were not always present at the platform areas of the four stations listed above. In some of these observations, LASD staff could have been patrolling other areas of the station. In other instances, LASD staff were not scheduled at certain times to cover these stations. On October 8, 2009, LASD officials told us that the agreement was to have LASD personnel available at the above stations except cases such as priority events, emergencies, or making arrests. In addition, they said that the coverage for the Blue Line 7<sup>th</sup> Street/Metro Station was for peak hours only.

We reviewed the current MOU with the LASD and could not find any requirement that specific stations should have LASD staff presence at all times, or that LASD staff should assist operators in sweeping trains. The Red Line Operations manual contained operating procedures for security sweeps for two of the four stations. However, LASD personnel are not Metro employees and are not responsible for following Metro procedures and policies. It is important that all requirements pertaining to LASD are contained in the MOU, or a joint agreement, to ensure that LASD agrees and follows the requirement.

## **RECOMMENDATIONS**

We recommend that Metro Management:

1. Continue to work with LASD to:
  - a. Reduce the fare evasion rate throughout the rail system to less than 2%, maximize LASD visibility, and achieve a 10% saturation rate.
  - b. Monitor the fare evasion rate to identify any adverse trends and problem areas such as specific stations, days of the week or times with high fare evasion rates.

2. Evaluate the number of HHVs needed for fare inspections considering back-up devices and re-charging time. The evaluation should also consider (a) any LASD requirements such as the size, reliability, and ease of use of the devices; and the number of devices needed; and (b) the impact that gating certain rail stations would have on HHV requirements.
3. Continue to refine the fare enforcement strategies and methodology. In this regard, consider the impact that gating will have on the fare enforcement plan and resources.
4. Clarify the requirement for LASD staff presence at all times at certain rail stations to perform security sweeps, and document this requirement and the process in the MOU or a joint side agreement. Ensure LASD staff deployment schedules conform to the requirements of the agreement.
5. Work with the LASD to:
  - a. Develop standards for fare inspection performance.
  - b. Ensure LASD staff is trained/advised to avoid behavior that might give the impression that they are not performing fare enforcement/community policing duties.

## MANAGEMENT COMMENTS

On November 10, 2009, we issued a draft report to Metro management. On April 7, 2010 Metro responded to the draft and management concurred with the findings in report. Management implemented recommendations 1a, 1b, 3, 5a, and 5b; and partially implemented recommendation 4. Management did not implement recommendation 2 because more information is necessary before an optimal path forward is known. Management provided the following actions to implement the audit recommendations:

- **Recommendation 1.** Several steps have already been taken to reduce fare evasion, maximize LASD TSB visibility and achieve a 10% saturation rate:
  - The LASD TSB has redesigned its Vehicle Operation inspection Tickets to collect more statistical information about ridership and saturation rates. This will improve deployment of resources for future fare enforcement operations and provide valuable data concerning TSB's impact on the fare evasion rate.
  - TSB has installed a new fare evasion and traffic citation tracking program which allows TSB and Metro to monitor the performance and productivity of TSB personnel.

## Review of Rail Fare Inspection Program

Office of the Inspector General

Report No. 10-AUD-05

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- To achieve the 10% saturation rate, TSB is taking the following actions on the rail and bus routes: riding buses and trains between stops and not concentrating on hubs, roving patrols, plain clothes operations, and increasing the number of daily fare enforcement operations.
- **Recommendation 2.** Metro has considered this recommendation, but decided not to implement it because more information is necessary before an optimal path forward is known. Too many questions remain related to the need for HHV's, and the interface with the gates and TAP Program.
- **Recommendation 3.** Metro has refined the fare enforcement strategies and methodologies. Also, the impact that gating will have on the fare enforcement plan and resources has been included in our review of fare enforcement strategies and methodologies.
- **Recommendation 4.** Metro agrees with the issue that the recommendation is based on, but does not agree with the document in the MOU or a joint side agreement is necessary. To clarify the requirement that TSB provide staff presence at all times at certain rail stations, Metro management requested the creation of a fixed post deployment matrix. The matrix has been developed and is in place. Management is satisfied with the responsiveness of the TSB when asked to improve the clarity of their deployment.
- **Recommendation 5.**
  - Standards regarding the performance of fare inspections have been clearly communicated through various avenues. Further, a 10% saturation rate is standard for fare inspection performance and is currently being achieved by TSB.
  - The concerning of “perching” and “clustering” has been addressed at all levels and it has been clearly communicated that such activities will not be tolerated. TSB management implemented a Unit Order that prohibits inappropriate bunching of personnel.

See Attachment D for the full text of management comments.

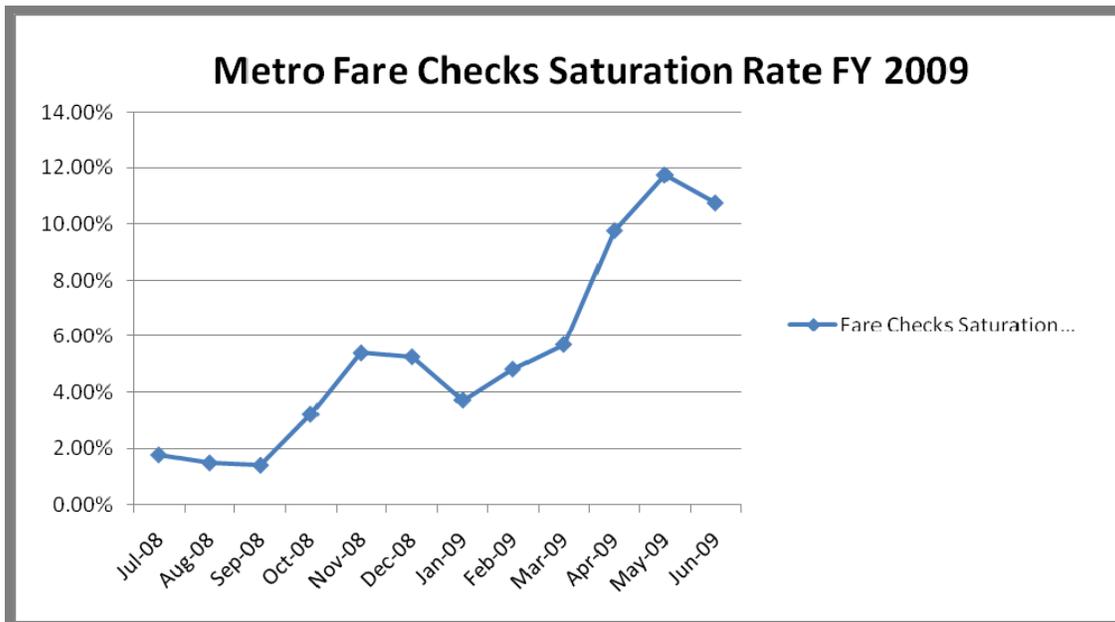
## **EVALUATION OF MANAGEMENT COMMENTS**

Metro's proposed corrective action plan is responsive to the findings and recommendations in the report. Management has implemented recommendations 1a, 1b, 3, 5a and 5b, and has implemented alternative corrective action in regard to recommendation 4. Management considered recommendation 2, but decided not to implement this recommendation because more information is necessary before an optimal path forward is known. Management stated that there remain too many questions related to the need for hand held validators, and the interface with the gates and TAP program. After these questions are resolved, management should take any appropriate action. We consider all issues related to the findings and recommendations in the report resolved based on management's comments.

## FY 2009 Fare Check Saturation Rates

### FY 2009 Data for All Rail Lines and Orange Line

Month	Fare Checks Saturation Rate	Total Fare Checks (1)	Total Boarding (2)
Jul-08	1.78%	164,854	9,254,411
Aug-08	1.50%	130,508	8,720,443
Sep-08	1.41%	118,912	8,412,870
Oct-08	3.22%	275,282	8,545,028
Nov-08	5.39%	412,622	7,654,314
Dec-08	5.25%	413,000	7,859,790
Jan-09	3.72%	297,154	7,986,379
Feb-09	4.82%	353,457	7,333,253
Mar-09	5.70%	493,092	8,656,629
Apr-09	9.76%	832,293	8,528,136
May-09	11.73%	1,000,621	8,530,354
Jun-09	10.74%	926,538	8,625,071
<b>Monthly Average</b>	<b>5.42%</b>	<b>451,528</b>	<b>8,342,224</b>



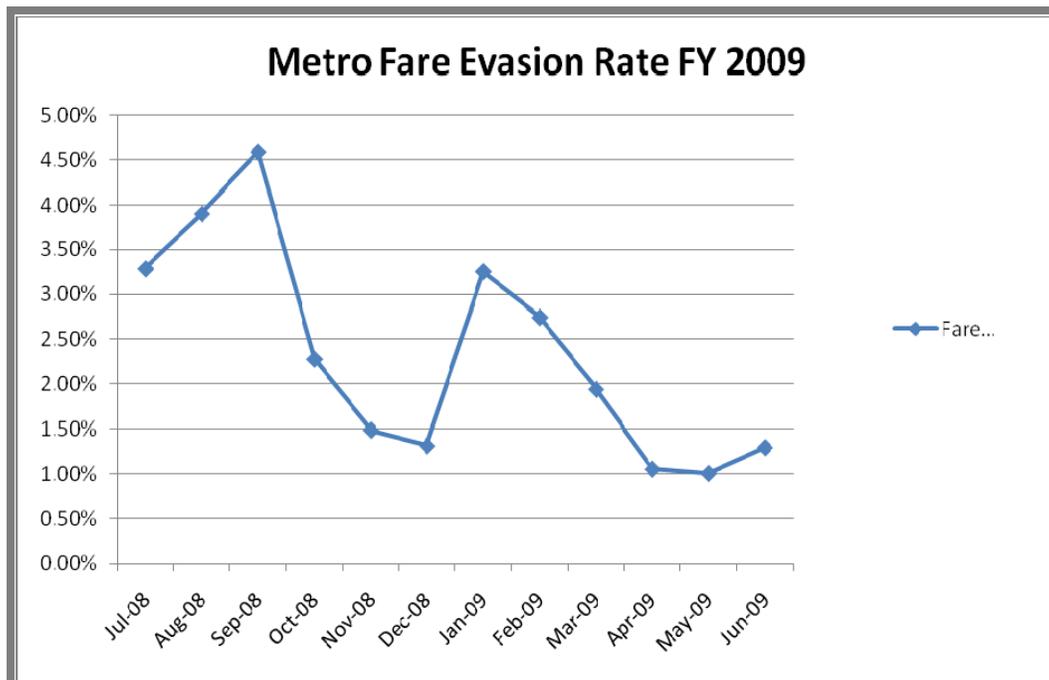
Source of Data:

- (1) MTA Monthly Report prepared by the LASD Transit Services Bureau
- (2) Metro Service Planning and Development Department

## FY 2009 Fare Evasion Rates

### FY 2009 Data for All Rail Lines and Orange Line

Month	Fare Evasion Rate	Total Invalid Tickets including Warnings & Citations(1)	Total Fare Checks (1)
Jul-08	3.29%	5,419	164,854
Aug-08	3.91%	5,097	130,508
Sep-08	4.59%	5,457	118,912
Oct-08	2.28%	6,280	275,282
Nov-08	1.49%	6,147	412,622
Dec-08	1.32%	5,431	413,000
Jan-09	3.26%	9,678	297,154
Feb-09	2.75%	9,713	353,457
Mar-09	1.94%	9,577	493,092
Apr-09	1.05%	8,777	832,293
May-09	1.01%	10,078	1,000,621
Jun-09	1.30%	12,013	926,538
<b>Monthly Average</b>	<b>2.35%</b>	<b>7,806</b>	<b>451,528</b>



Source of Data: (1) MTA Monthly Report prepared by the LASD Transit Services Bureau

# Fare Inspection Observation Sheet

Fare Inspections  
Project No. AUD-09-0C

## FARE INSPECTION OBSERVATION SHEET

Observer: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_:\_\_\_\_ □ a.m. □ p.m.

Line:      □ Blue      □ Red      □ Green      □ Gold  
            □ Purple      □ Orange

Station: \_\_\_\_\_ □ Platform

□ Entrance: \_\_\_\_\_ □ Level (if applicable): \_\_\_\_\_

Observed on Rail car between \_\_\_\_\_ station and \_\_\_\_\_ station

**Sheriff's Deputies:**

Number Observed: \_\_\_\_\_ (enter 0 if none)

**Activities Observed:**

- Coordinated Fare Enforcement Operations
- Inspecting Fares (individual) number \_\_\_\_\_
- Issue Citation or warning number \_\_\_\_\_
- Help Customer number \_\_\_\_\_
- Observing Customer number \_\_\_\_\_
- Clearing Trains (Sweeps) number \_\_\_\_\_
- Patrol (Walking around station) number \_\_\_\_\_
- Cell Phone number \_\_\_\_\_
- "Walkie Talkie" number \_\_\_\_\_
- Watching video or Playing Game, e.g., iPod or Game Boy number \_\_\_\_\_
- Talking to one another (Clustering) number \_\_\_\_\_
- Other \_\_\_\_\_

**Sheriff's Assistants (SA, i.e. Fare Inspectors)**

Number Observed: \_\_\_\_\_ (enter 0 if none)

**Activities Observed:**

- Coordinated Fare Enforcement Operations
- Inspecting Fares (individual) number \_\_\_\_\_
- Issue Citation or warning number \_\_\_\_\_
- Help Customer number \_\_\_\_\_
- Observing Customer number \_\_\_\_\_
- Clearing Trains (Sweeps) number \_\_\_\_\_
- Patrol (Walking around station) number \_\_\_\_\_
- Cell Phone number \_\_\_\_\_
- "Walkie Talkie" number \_\_\_\_\_
- Watching video or Playing Game, e.g., iPod or Game Boy number \_\_\_\_\_
- Talking to one another (Clustering) number \_\_\_\_\_
- Other \_\_\_\_\_

**Comments:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Management Comments to Draft Report

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**Metro**

### Interoffice Memo

Date	April 7, 2010
To	Karen Gorman Acting Inspector General
Through	Arthur T. Leahy <i>by [Signature]</i> Chief Executive Officer
From	Duane Martin Deputy Executive Officer
Subject	Management Response to Draft Audit of Review of Rail Fare Inspection (Report No. 10-AUD-05)

#### OVERVIEW

I have reviewed the results of the subject draft report and concur with most of the recommendations. Recommendations 1a, 1b, 3, 5a and 5b have been implemented, and we have partially implemented recommendation 4. Management did not entirely agree with recommendation 4, and after evaluating recommendation 2, management will not implement this recommendation because we may be changing our approach to Transit Access Pass (TAP). Please see the details below.

#### PROPOSED CORRECTIVE ACTIONS

In response to recommendation 1a, several steps have already been taken to reduce fare evasion, maximize Los Angeles Sheriff Department's Transit Services Bureau (TSB) visibility and achieve a 10% saturation rate. These include but are not limited to:

- TSB has redesigned its Vehicle Operation Inspection Tickets (VOIT) to collect more statistical information about ridership and saturation rates, such as the number of people cited and quantity of citations issued by individual deputies for each assigned shift. This coupled with updates to the VOIT computer tracking system will improve deployment of resources for future fare enforcement operations, and provide valuable data concerning TSB's impact on the fare evasion rate.
- TSB has installed a new fare evasion and traffic citation tracking program (Crossroads) which allows TSB and Metro to monitor the performance and productivity of TSB personnel. The program provides a searchable database to analyze the effectiveness of the fare compliance effort and enhance security.

## Management Comments to Draft Report

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- To achieve the 10% saturation rate, TSB is taking the following actions on the rail lines and bus routes; riding buses and trains between stops and not concentrating on hubs, roving patrols, plain clothes operations, and also increasing the number of daily fare enforcement operations. TSB supervisors oversee these activities to insure they are conducted properly and efficiently. Also deployed on the system are other specialized units such as the Special Problems Unit and the Threat Interdiction Unit which assist in reaching the saturation target. This recommendation has been implemented.

In response to recommendation 1b, TSB will continue to monitor the fare evasion rates to identify any adverse trends and problem areas using both new technology and data analysis. TSB is in the process of securing several mobile CCTV camera systems which will provide information on the actual number of patrons entering and exiting the transit rail system and establish a well rounded picture of saturation rate, fare evasion rate, and personnel deployment. Also, data continues to be submitted monthly by TSB to Metro for analysis. The monthly report includes activity information for the past month, and year to date comparisons in areas of crimes and arrests, citations and calls for service, vandalism and fare evasion statistics. This recommendation has been implemented.

In response to recommendation 2, we have considered this recommendation, but it will not be implemented. More information is necessary before an optimal path forward is known. There remain too many questions related to the need for Hand Held Validators (HHVs), and the interface with the gates and TAP program.

In response to recommendation 3, based on the responses required to recommendations in this audit, we have refined the fare enforcement strategies and methodologies. Also, the impact that gating will have on the fare enforcement plan and resources has been included in our review of fare enforcement strategies and methodologies. This recommendation has been implemented.

In response to recommendation 4, we agree with the issue that the recommendation is based on, but we do not agree with the recommendation to document requirements in the MOU or a joint side agreement. To clarify the requirement that TSB provide staff presence at all times at certain rail stations, Metro management requested the creation of a fixed post deployment matrix. The matrix has been developed and is in place. TSB supervisors brief personnel on their daily post deployment, and consistently check the fixed posts to insure personnel are present during their assigned hours. The matrix is sent daily to Metro management for oversight and strategic analysis. Management is satisfied with the responsiveness of the TSB when asked to improve the clarity of their deployment. This recommendation has been implemented.

In response to recommendation 5a, standards regarding the performance of fare inspectors have been clearly communicated through various avenues as detailed in the response to 5b (below). Further, a 10% saturation rate is a standard for fare inspection performance and is currently being achieved by TSB. Finally, TSB management holds its personnel to the standards set forth in the Los Angeles Sheriff's Department's policy and procedures manual. The manual is very

## Management Comments to Draft Report

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comprehensive and holds department personnel to a very high standard of conduct. This recommendation has been implemented.

In response to recommendation 5b, the concern of “perching” and “clustering” has been addressed at all levels and it has been clearly communicated that such activities will not be tolerated. TSB management implemented a Unit Order that prohibits inappropriate bunching of personnel. They have reinforced this order during shift briefings, assignment of personnel according to a matrix, the use of fixed posts, and team Fare Operations under the direction of a supervisor. This recommendation has been implemented.

Metro and TSB management continue to meet regularly to ensure the fare inspection program is working as efficiently as possible.

Should you have any questions, please feel free to contact me.

## Final Report Distribution

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