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CITY CONTROLLER RELEASES AUDIT SHOWING CITY'S DEPARTMENT OF TRANSPORTATION PARKING CITATION PROCESS NEEDS IMPROVEMENT

LADOT misses revenue opportunities due to insufficient policies and poor contract oversight

(Los Angeles) – Continuing her efforts to save taxpayer money and reduce waste in City Hall, Controller Greuel released her audit today assessing the effectiveness of the City's parking citation process and whether the City is collecting payments for these citations. This is the second in a series of three audits that closely investigates the policies and procedures used by the City's Department of Transportation (DOT) to make Los Angeles a better place to live and conduct business. This audit found plenty of room for improvement.

Due to DOT's inability to investigate contested citations within their own required 240 day time period, valid tickets are being dismissed, and unnecessarily costing the city money. The audit found City failed to collect \$557,000 in administrative fees and penalties related to expired registrations stickers and vehicles with no evidence of registration, \$328,000 of which could have been money in the City's coffers.

"We can't afford to leave money on the table when it comes to collecting revenue," said City Controller Wendy Greuel.

The audit found the City lost potential revenue when it did not pursue collections from protective plate holders who failed to pay their citations. Certain public employees are exempted from having their address appear in DMV's records – instead, only their respective employment agency appears. While the Controller supports safeguarding the personal addresses of the public employees whose information is protected, DOT issued over 15,000 tickets to those employees, totaling \$850,000 over two years. Prior to the end of 2009, DOT did not pursue these citations because it did not have a listing of contacts for the various public agencies.

"Not having the list of contacts at these public agencies is no excuse. Protective plates are intended to protect privacy for the safety of certain public employees -- not a 'get out of jail free' card for parking violators," said Controller Greuel.

LADOT utilizes a contractor to operate the City's parking violations bureau. The contract provides for the vendor to be paid based on the number of citations processed but it doesn't specify whether voided transactions – those that are never issued at all – should be included in that count. Since 2006, LADOT has paid over \$440,000 in fees related to voided citations.



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“Paying for tickets that are nonexistent is ridiculous and an unnecessary waste of money,” said Controller Greuel. “The DOT should ask for a refund for those voided tickets.”

The audit also revealed that the DOT established a Gold Card Desk for the Mayor and Council to expedite the review of parking citations. During the two year audit period, DOT cancelled approximately 1,000 tickets without any specific policies to guide the review of these citations.

Controller Greuel was not aware of the Gold Card Desk during her tenure as a Councilmember, and was surprised to learn that such a V.I.P. process existed for a select few. Controller Greuel commented, “You shouldn’t need political pull to expedite the investigation of a ticket. There ought to be a fair and equal process for examination of all contested citations.” She is calling for DOT to shut down the Gold Card Desk altogether.

Over a two year period, DOT issued approximately 5.7 million citations over two fiscal years from 2008 to 2010. Approximately one third of citations are paid in full upon the motorists’ receipt of the citation on their vehicle’s windshield. However, \$272 million in parking citations over a five year period needs to be written off because it is no longer eligible for collections. “If the Department is issuing tickets but not collecting outstanding citations, we clearly have a larger problem,” stated Controller Greuel. “If motorists can get away without paying tickets, we can’t expect them to change their law-breaking behavior either.”

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