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## **Review of the Financial and Administrative Activities of the Taxicab Assessment Fund for Fiscal Years 1997, 1998, and 1999**

June 6, 2000

## **EXECUTIVE SUMMARY**

### **PURPOSE**

Pursuant to Public Law 93-198, Section 455, the District of Columbia Auditor conducted a follow-up audit of the D.C. Taxicab Assessment Fund and reviewed certain limited matters regarding the public vehicle enforcement function.

### **CONCLUSION**

For the past five years, the D.C. Taxicab Commission's budget has been reduced by approximately 48.44 percent of its fiscal year 1995 budget and its staff has declined by 72 percent from 32 full time equivalent positions (FTEs) in fiscal year 1995 to 9 FTEs in fiscal year 1999. Despite declining budgets, the Commission has managed to keep its overall annual spending below approved budgets. There has, however, been a problem of untimely submission of spending plans to the Council. As a consequence, in fiscal year 1999, the Commission spent \$120,345 more than the \$299,500 spending plan approved by the Council.

Internal controls governing the collection, use, expenditure and reporting of Assessment Fund monies appear to be adequate. Most of the recommendations of the previous audit have been resolved. Three unresolved recommendations of the previous audit are currently under review by the Corporation Counsel. The recommendations were that the Corporation Counsel (1) seek restitution from the Taxicab Commission chairperson, at that time, and general counsel for \$9,361 expended under an agreement between Leftwich, Moore and Douglas and the Taxicab Commission for expenditures not approved by the Taxicab Commission; (2) seek restitution from the Taxicab Commission's general counsel for an unauthorized payment of \$9,995 to Leftwich, Moore and Douglas; and (3) recover the money paid for membership fees from individuals attending the International Conference for Public Transportation Regulators or those Taxicab Commission officers who authorized the payments.

The current audit did not reveal questionable expenditures from the Taxicab Assessment Fund. The Auditor found that the Assessment Fund expenditures were properly authorized and complied with applicable financial and procurement regulations.

The transfer of vehicle registration and adjudication functions to the Department of Public Works Bureau of Traffic Adjudication and the transfer of taxicab enforcement functions to the Metropolitan Police Department had an adverse impact on the Commission. Staff and funding for these functions were also transferred from the Commission to these agencies. After the transfer of the adjudication function, the Commission did not have any qualified staff to hear and resolve consumer complaints. It attempted to resolve its backlog of consumer complaints by establishing a pro-bono hearing examiner program. The program proved to be logistically cumbersome and ineffective in handling the backlog; therefore, the Commission procured the services of a paid examiner.

Recommendations resulting from the current audit involve operational issues such as the need for more hack inspectors. D.C. Code, Section 40-1712, states that there shall be no less than twelve (12) hack inspectors to enforce the rules and regulations pertaining to taxicabs; however, only three (3) hack inspectors are employed by the MPD to monitor 6,800 taxicabs in the District of Columbia. The transfer of the enforcement function to the MPD, coupled with a reduction in the number of hack inspectors employed by MPD, diminished the District's ability to assess the effectiveness of taxicab enforcement activities, assure equitable non-discriminatory taxicab service throughout the District, address passenger and public safety issues, and to influence positive outcomes regarding these matters through the issuance of citations and the collection of fines. The other operational issue is the Commission's need for enforcement data and MPD's failure to provide such information as required by law. The Auditor was unable to obtain any citation data from MPD (i.e., number of citations issued, type of infraction or violation, amount of fines collected) for the audit period because the Metropolitan Police Department does not maintain the data, even though the MPD is required to submit citation information to the Commission annually, which it has failed to do for the past three years.

## **MAJOR FINDINGS**

1. The D.C. Taxicab Commission has resolved most of the recommendations of the previous audit conducted by the District of Columbia Auditor.
2. The Commission did not have full access to Assessment Fund monies during fiscal years 1995, 1996, and 1997 because the D.C. Controller's Office transferred the year end balances to the general fund.

3. The Commission submitted only one annual spending plan for the Council's approval during fiscal years 1995 through 1999.
4. Assessment Fund expenditures for fiscal years 1997, 1998, and 1999 were consistent with the permitted use of the Fund.
5. There is an inadequate ratio of hack inspectors to licensed taxicabs.
6. D.C. Taxicab Commission does not receive status reports on ongoing activities, findings, fines, problems or concerns noted by Metropolitan Police Department hack inspectors

### **RECOMMENDATIONS**

1. The D.C. Taxicab Commission conduct a study of U.S. cities of comparable population, square miles and number of taxicabs or service-for-hire vehicles and use the results to support future proposals to increase the number of hack inspectors in the District.
2. The Metropolitan Police Department immediately increase the number of hack inspectors consistent with the requirements of D.C. Code, Section 40-1712(f), in order to protect the public's safety, ensure effective enforcement of taxicab regulations, and encourage equitable nondiscriminatory taxicab service delivery throughout the city.
3. The Metropolitan Police Department immediately provide to the Taxicab Commission the annual citation data for the past three years as required by D.C. Code, Section 40-1722, including the amount of fines levied and collected, and continue to provide such data annually to the Commission.
4. The Taxicab Commission and MPD work together to ensure that the Taxicab Commission receives all data it needs, on an agreed upon frequency, to enable the Commission to assess the effectiveness of the enforcement activity and be responsive to the concerns of District residents and visitors.

## **PURPOSE**

Pursuant to Public Law 93-198, Section 455, the District of Columbia Auditor conducted a follow-up audit of the D.C. Taxicab Assessment Fund and reviewed certain limited matters regarding the public vehicle enforcement function.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of the audit were to:

1. determine whether the activities of the D.C. Taxicab Assessment Fund were conducted in accordance with the rules and procedures of the D.C. Taxicab Commission, as well as other applicable D.C. laws and regulations;
2. determine whether the financial activities of the Assessment Fund were fully recorded and reported in accordance with generally accepted accounting principles;
3. determine whether internal controls related to the Taxicab Commission's administrative activities were adequate to safeguard the assets of the Assessment Fund; and
4. provide an independent assessment of the performance of the Assessment Fund in order to provide information to improve public accountability and strengthen the management of the Commission's resources.

During the audit, the Auditor reviewed the Taxicab Commission's financial and administrative activities and internal controls, as well as the use of monies deposited in the D.C. Taxicab Assessment Fund for fiscal years 1997, 1998, and 1999. To accomplish the objectives, we reviewed the findings and recommendations contained in the District of Columbia Auditor's report entitled "Audit of the D.C. Taxicab Commission Assessment Fund for Fiscal Years 1992, 1993, and 1994," dated April 17, 1995, along with the Commission's July 14, 1998 memorandum which provided a status of the implementation of the Auditor's previous recommendations. The Auditor also reviewed relevant laws, regulations, and rules applicable to the D.C. Taxicab Assessment Fund, in addition to the Taxicab Commission's minutes of meetings and documentation pertaining to income and expenses for the period under review, including the record of cash receipts and disbursements. Also, the Auditor reviewed and analyzed internal controls relative to the Assessment Fund.

The audit was performed in accordance with generally accepted governmental auditing standards, and included such tests of the documentation as deemed necessary under the circumstances.

## **BACKGROUND**

The D.C. Taxicab Commission (DCTC) was established as a subordinate agency within the executive branch of the District government in fiscal year 1986 by D.C. Law 6-97, "The D.C. Taxicab Commission Establishment Act of 1985." The D.C. Taxicab Commission's purpose was to "centralize and strengthen the regulation of public vehicles for hire in the District of Columbia, including taxicabs, limousines, sightseeing vehicles, funeral cars, and private ambulances." All D.C. Taxicab Commission members are appointed by the Mayor with the advice and consent of the Council of the District of Columbia. Currently, the D.C. Taxicab Commission consists of nine (9) members of which five (5) members are selected from the public-at-large and three (3) members are industry members who must possess experience in the taxicab industry. The remaining member serves as the Commission's chairperson at the pleasure of the Mayor. During the period of the Auditor's examination, eight (8) members were serving on the Commission, including an Interim Chairperson. Four (4) nominations were pending to fill one vacant position and replace three members whose terms were close to expiring.

Pursuant to D.C. Code, Sections 40-1706(a) through (d), the D.C. Taxicab Commission is organized into two (2) panels, the Panel on Rates and Rules, and the Panel on Consumer and Industry Concerns.

### **Panel on Rates and Rules**

The Panel on Rates and Rules consists of the Chairperson, three (3) public members and one (1) industry member for a total of five (5) members. Currently, only four (4) members serve on this panel. The panel is vested with rulemaking and rate-making authority, establishes reasonable rates for taxi service, establishes methods for determining reasonable and fair rates, and establishes civil fines and penalties.

### **Panel on Consumer and Industry Concerns**

The Panel on Consumer and Industry Concerns consists of the Chairperson, two (2) public members and two (2) industry members for a total of five (5) members. Currently, only four (4) members serve on this panel. The panel is vested with adjudicatory and rulemaking authority, and may investigate, hear, and resolve complaints related to the Taxicab Industry. The Panel is required to adhere to the D.C. Administrative Procedure Act, Subchapter I of Title 1 of the D.C. Code.

### **D.C. Taxicab Commission's Budget and Staffing Have Declined Over the Past Five Years**

Between fiscal years 1995 and 1999, the D.C. Taxicab Commission's budget declined by approximately 48.44 percent from \$1,418,000 in fiscal year 1995 to \$731,000 in fiscal year 1999. Also, its staff declined by approximately 72 percent from 32 full time equivalent positions (FTEs) in fiscal year 1995 to 9 FTEs in fiscal year 1999.

In fiscal year 1997, the Taxicab Commission's hack enforcement function, \$200,000, and 6 FTEs were transferred to the Metropolitan Police Department (MPD). The vehicle registration and adjudication functions, along with \$121,000 and 3 FTEs, were transferred to the Department of Public Works (DPW) Bureau of Traffic Adjudication (vehicle registration and adjudication are currently under the jurisdiction of the Department of Motor Vehicles). The transfer of functions to both MPD and DPW occurred pursuant to D.C. Act 11- 453, the Fiscal Year 1997 Budget Support Act.

### **Office of Taxicabs**

D.C. Code, Section 40-1712, established an Office of Taxicabs to provide administrative support to the Commission. The Office, headed by the Commission's Chairperson, is responsible for the execution and administration of all rules, standards, rates, charges, and orders issued by the Commission. The Office is also responsible for administering all license examinations applicable to the taxicab industry; maintaining a system of public records related to licensed owners and operators of taxicabs and taxicab companies, associations and fleets; and performing any other administrative functions assigned to it by the Commission which are necessary to carry out the purposes of D.C. Code, Section 40-1712.

### **D.C. Taxicab Commission Assessment Fund**

The authority and responsibilities of the Office of Taxicabs include the administration of the Taxicab Commission Assessment Fund, which is the primary revenue source for the Commission to procure non-personal services. Chapter 11 of Title 31 of the District of Columbia Municipal Regulations (DCMR), detailed below, stipulates that monies in the Fund shall be used by the Commission and its panels for any investigation or proceeding concerning taxicab rates or regulations. D.C. Code, Section 40-1720, was amended to include the use of Assessment Fund monies for "any taxicab related matters," thus authorizing the Commission to charge a variety of personal and non-personal service expenditures to the Fund.

Pursuant to D.C. Code, Section 40-1720, procedural and substantive rules governing assessments levied against taxicab operators were issued under 31 DCMR Chapter 11. The rules provide that:

- 1101.1 Effective February 1, 1991, each taxicab operator shall be assessed fifty dollars (\$50) per year upon the issuance of each operator license identification card (face) issued pursuant to D.C. Code, Section 47-2829(e) (1987).
- 1101.2 The assessment levied pursuant to Section 1101.1 shall be paid by each taxicab operator in addition to the annual license fee authorized pursuant to D.C. Code, Section 47-2829(e).
- 1101.3 The Office of Taxicabs (Office) shall collect the assessment levied at the time of the issuance or renewal of each taxicab operator license identification card.<sup>1</sup>
- 1101.4 The Office shall have deposited into the District of Columbia Taxicab Commission Fund (Fund), established pursuant to D.C. Code, Section 40-1720(a), all assessments collected from taxicab operators.
- 1101.5 On a quarterly basis, or at other times as directed by the Commission, the Office shall provide a written report to the Commission of all monies collected and deposited in the Fund.

Section 1102 of Title 31 governs the use of the Fund and provides that:

- 1102.1 Monies in the Fund shall be used by the Commission and its panels for any investigation or proceeding concerning taxicab rates or regulations.

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<sup>1</sup> Internal controls for the receipt and accountability of fees are adequate. All fees are paid by check or money order; no cash is accepted.



1102.2 A proceeding, as used in this chapter, includes, but is not limited to, any administrative action, process, adjudication, or rulemaking pending before, or initiated by, the Commission or any of its panels.

1102.3 A Commission or panel investigation may include, but is not limited to, an investigation into any of the following subjects:

- (a) Rate studies;
- (b) Review of the zone system or taximeter;
- (c) Public education and awareness;
- (d) Education of taxicab operators and owners;
- (e) Enforcement activities; or
- (f) Discrimination in the taxicab industry.

## **FINDINGS**

### **THE D.C. TAXICAB COMMISSION HAS RESOLVED MOST OF THE RECOMMENDATIONS OF THE PREVIOUS AUDIT CONDUCTED BY THE DISTRICT OF COLUMBIA AUDITOR**

In fiscal year 1998, the District of Columbia Auditor requested a status report from the D.C. Taxicab Commission regarding implementation of recommendations made in the April 17, 1995 audit report entitled "Audit of the D.C. Taxicab Commission Assessment Fund – Fiscal Years 1992, 1993, and 1994." The Commission provided the status of the 21 recommendations in a memorandum dated July 14, 1998. During the current audit, the Auditor conducted a follow-up review to assess the implementation status of the recommendations and found that twelve (12) of the recommendations had not been implemented, eight (8) had been implemented, and one recommendation had been partially implemented. The recommendations are presented in Table I, along with the responses provided by the Commission in 1998, the current implementation status, and the Auditor's comments based on the follow-up review.

**Table I**  
**Recommendations and Commission's Responses**  
**Audit of the D.C. Taxicab Commission Assessment Fund**  
**Fiscal Years 1992, 1993 and 1994**  
**Report Issued: April 17, 1995**

<b>Auditor's Recommendations</b>	<b>Commission's July 14, 1998 Responses to Recommendations</b>	<b>Auditor's Assessment of Implementation</b>
<p>1. DCTC submit an annual spending plan to the Council that is sufficiently detailed as to projected or estimated dollar amounts associated with each category and/or item of expenditure to be charged against the Assessment Fund</p>	<p>1. The annual plan to be submitted to the Council on October 15, 1998, will be sufficiently detailed as to each category and/or item or expenditure to be charged against the Assessment Fund.</p>	<p><b>Status: <u>Implemented</u></b>  The spending plan for fiscal year 1999 was sufficiently detailed with respect to purpose, but it lacked itemization by amount for each of the nine (9) planned items. Before the Council would approve the plan, it required the Commission to submit a written line-item budget of the proposed expenditures.</p>
<p>2. Assessment Fund balances above the \$400,000 for fiscal years 1992, 1993 and 1994 as of September 22, 1994 be refunded to the payers.</p>	<p>2. Assessment Fund balances above \$400,000 for fiscal years 1992, 1993 and as of September 22, 1994, were not refunded to the payers. The statutory provision containing the \$400,000 amount was amended to eliminate this provision.</p>	<p><b>Status: <u>Not Implemented</u></b>  D.C. Code, Section 40-1720 was amended to delete the section which stated that the D.C. Taxicab Commission must stop collecting the fees when the Fund balance exceeds \$400,000.</p>

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
<p>3. Any expenditures from the Assessment Fund comply with the requirements of the Internal Rules of the DCTC and the Commission's enabling legislation.</p>	<p>3. The expenditure of Assessment Fund monies is governed by Title 31 DCMR Chapter 11, Taxicab Commission Fund Assessment. The Commission's Internal Rules regarding the Assessment Fund were adopted by the Commission on an interim basis pending adoption of the Taxicab Commission Fund Assessment rules.</p>	<p><b>Status: <u>Implemented</u></b> The Auditor found no violations of the rules governing the use of monies from the Assessment Fund during the period under review.</p>
<p>4. Amend the DCTC's Internal Rules to require submission of quarterly expenditure reports for the Assessment Fund to the DC Council and the DCTC.</p>	<p>4. The Internal Rules of the Commission regarding the Assessment Fund were interim and superseded by the adoption of Title 31 DCMR Chapter 11. The statutory language of DC Code Section 40-1720(f) requires the Commission to submit an annual report on November 1. Thus, the recommendation for quarterly reports to the Council was not implemented by the Commission.</p>	<p><b>Status: <u>Not Implemented</u></b> The Auditor reviewed D.C. Code, Section 40-1720(f), and is in agreement that the recommended action is not now required.</p>

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
5. DCTC comply with the applicable regulations governing small purchasing.	5. The Commission is in compliance with the applicable regulations governing small purchases.	<b>Status: <u>Implemented</u></b> The current audit did not reveal violations of D.C. Code, Section 1-1183.21, Small purchase procurement.
6. Develop specific guidelines for procuring outside legal services.	6. The Commission no longer procures outside legal services.	<b>Status: <u>Not Implemented</u></b> The Commission did not procure outside legal services in fiscal years 1998 and 1999.
7. The Corporation Counsel seek restitution from DCTC chairperson, at that time, and general counsel for \$9,361 expended under the first agreement between Leftwich, Moore and Douglas and DCTC for expenditures not approved by the DCTC.	7. The Corporation Counsel did not seek restitution of these monies.	<b>Status: <u>Not Implemented</u></b> The Commission had nothing on file to substantiate its response that "the Corporation Counsel did not seek restitution of these monies." Therefore, during the current review, the Auditor contacted the Corporation Counsel to confirm the Commission's response. Corporation Counsel has no record of responding to the Commission and will review the issue and make a determination as soon as possible.

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
8. The DCTC utilize the Office of the Corporation Counsel to obtain legal support instead of obtaining vendors to provide legal support.	8. The Commission does use the Office of the Corporation Counsel to obtain legal support.	<b>Status: <u>Implemented</u></b> The Commission did not procure outside legal services in fiscal years 1998 and 1999.
9. DCTC's secretary prepare typed-written minutes of all Commission and Panel meetings. The minutes must include a written record of the persons present, the agenda, major decisions and votes taken by the body. The minutes will be in addition to the taped record of the meetings.	9. The Commission secretary does prepare a written record of persons present, the agenda, major decisions and votes taken by the Commission and Panel.	<b>Status: <u>Partially Implemented</u></b> The Commission complied with the recommendation until the staff assistant responsible for preparing minutes was transferred in September 1996. Legible minutes, though not typewritten, are available for all meetings and include the information addressed in the recommendation.

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
10. DCTC discontinue the practice of splitting, parceling and dividing a procurement of the same goods and services during the course of a fiscal year in amounts under \$10,000 to circumvent the \$10,000 limit on small purchase authority.	10. The Commission has discontinued the practice of dividing a procurement.	<b>Status: <u>Implemented</u></b> The current audit did not reveal violations of D.C. Code, Section 1-1183.21, Small purchase procurement.
11. DCTC discontinue the practice of making payments for services obtained without a valid written contract.	11. The Commission has discontinued the practice of paying for services obtained without a valid written contract.	<b>Status: <u>Implemented</u></b> The Auditor examined supporting documentation for all expenditures exceeding \$10,000 during the fiscal years under review. The supporting documentation contained signed written contracts.
12. The Corporation Counsel seek restitution of \$9,995 from the DCTC's general counsel for the amount of the unauthorized payment to Leftwich, Moore and Douglas.	12. The Corporation Counsel did not seek restitution.	<b>Status: <u>Not Implemented</u></b> The Commission had nothing on file to substantiate its response; therefore, during the current review, the Auditor contacted the Corporation Counsel to confirm the Commission's response. Corporation Counsel has no record of responding to the Commission and will review the issue and make a determination as soon as possible.

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
13. DCTC discontinue the practice of paying conference expenses, travel expenses and membership fees from the Assessment Fund.	13. The statutory provision regarding the use of monies in the Assessment Fund was amended to authorize the expenditure of monies for conference and travel expenses, and membership fees.	<b>Status: <u>Not Implemented</u></b> D. C. Code, Section 40-1720(b), was amended in September 1994 to include the phrase "for any taxicab related matter" in regard to authorized expenditures from the Assessment Fund. The Commission interprets this language broadly to justify using the Fund for these purposes
14. DCTC discontinue the practice of paying membership fees for individual employees from the Assessment Fund or appropriated agency funds.	14. The statutory provision regarding the use of monies in the Assessment Fund was amended to authorize the expenditure of monies for conference and travel expenses, and membership fees.	<b>Status: <u>Not Implemented</u></b> D. C. Code, Section 40-1720(b), was amended in September 1994 to include the phrase "for any taxicab related matter" in regard to authorized expenditures from the Assessment Fund. The Commission interprets this language broadly to justify using the Fund for these purposes
15. The Corporation Counsel recover the money paid for membership fees from the individuals attending the International Conference for Public Transportation Regulators or from those DCTC officers who authorized the payments. These monies should be refunded to the Assessment Fund.	15. The Corporation Counsel did not seek to recover the money paid for attendance at the International Conference of Public Transportation Regulators.	<b>Status: <u>Not Implemented</u></b> The Commission had nothing on file to substantiate its response; therefore, during the current review, the Auditor contacted the Corporation Counsel to confirm the Commission's response. Corporation Counsel has no record of responding to the Commission and will review the issues and make a determination as soon as possible.



Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
<p>16. Expenditures from the Assessment Fund for travel expenses of DCTC Commissioners and staff to attend the International Conference for the Public Transportation Regulators in October 1993 and April 1994 be reimbursed to the Assessment Fund from its appropriation.</p>	<p>16. The monies expended from the Assessment fund for attendance at the International Conference of Public Transportation Regulators conference was not reimbursed to the Assessment Fund from the Commissioner's appropriated funds.</p>	<p><b>Status: <u>Not Implemented</u></b> D. C. Code, Section 40-1720, did not authorize the use of Assessment Fund monies for travel expenses of DCTC Commissioners and staff to attend conferences. Therefore, the Auditor maintains its original recommendation that these expenses be reimbursed to the Assessment Fund.</p>
<p>17. DCTC reimburse the Assessment Fund in the amount of \$12,505 from its appropriated funds. The expenditures for the DCTC's staff retreat should have been charged to its appropriated budget rather than the Assessment Fund.</p>	<p>17. The Commission did not reimburse the Assessment Fund from its appropriated funds for the Commission's staff retreat.</p>	<p><b>Status: <u>Not Implemented</u></b> D. C. Code, Section 40-1720, did not authorize the use of Assessment Fund monies for Commission retreats. Therefore, the Auditor maintains its original recommendation that these expenses be reimbursed to the Assessment Fund.</p>
<p>18. The expenditures totaling \$444 for "In Room Dining Services" and long distance telephone calls be reimbursed by the specific persons responsible for the expenditures.</p>	<p>18. It is unclear whether the reimbursement of these monies occurred. The documentation associated with this matter is no longer at the Commission.</p>	<p><b>Status: <u>Not Implemented</u></b> The improper expenditures were not reimbursed by the persons responsible for the expenditures and the Commission took no discernible action to facilitate recovery of these funds.</p>

Auditor's Recommendations	Commission's July 14, 1998 Responses to Recommendations	Auditor's Assessment of Implementation
19. Any expenditures from the Assessment Fund comply with the requirements of the Internal Rules of DCTC and its enabling legislation, as amended.	19. The Commission's Internal Rules regarding the Assessment Fund were interim pending the adoption of Title 31 DCMR Chapter 11, Taxicab Commission Fund Assessment rules.	<b>Status: <u>Implemented</u></b> For the period under review, the Auditor did not discern violations of the rules governing the use of Assessment Fund monies.
20. Amend the DCTC's Internal rules to clarify the role of the chairperson and the Panels on Adjudication and Rates and Rules in initiating, approving and monitoring contracts supported by appropriated as well as Assessment Fund monies.	20. The Commission's Internal Rules regarding the Assessment Fund were interim pending the adoption of Title 31 DCMR Chapter 11.	<b>Status: <u>Not Implemented</u></b> Title 31 DCMR Chapter 11 does not address the role of the chairperson and Commission panels with respect to initiating, approving, and monitoring contracts supported by appropriated as well as Assessment Fund monies.
21. The Assessment Fund balance of \$583,836 which was deposited into the General Fund must be transferred back into the Assessment Fund and used for purposes identified in the statute creating the Assessment Fund.	21. The Assessment Fund balance deposited into the General Fund was transferred back to the Assessment Fund.	<b>Status: <u>Implemented</u></b> The auditor confirmed that \$583,836 was transferred from the General Fund to the Assessment Fund in fiscal year 1997

**THE COMMISSION DID NOT HAVE FULL ACCESS TO ASSESSMENT FUND MONIES DURING FISCAL YEARS 1995, 1996, AND 1997 BECAUSE THE D.C. CONTROLLER'S OFFICE TRANSFERRED THE YEAR END BALANCES TO THE GENERAL FUND**

Table II below shows Assessment Fund collections and expenditures for fiscal years 1995 through 1999. The opening balance of the Fund remained at \$58,105 for three fiscal years because the D.C. Controller's Office (currently the Office of Financial Operations and Systems) directed that excess year end Assessment Fund balances be transferred to the General Fund. At the end of fiscal year 1997, monies that had been previously transferred from the Assessment Fund to the General Fund were restored to the Assessment Fund, which resulted in a closing balance of \$946,050 for fiscal year 1997. Collections for the five-year period totaled \$1,676,896, which represents average fiscal year collections of \$335,379. Expenditures for the five-year period totaled \$1,571,942.

**Table II**  
**D.C. Taxicab Commission Assessment Fund**  
**Collections and Expenditures**  
**Fiscal Years 1995 through 1999**

<b>Fiscal Year</b>	<b>Opening Balance</b>	<b>Collections</b>	<b>Total Income</b>	<b>Expenditures</b>	<b>Closing Balance</b>
1995	\$ 58,105	\$ 295,690	\$ 353,795	\$ 295,690	\$ 58,105
1996	\$ 58,105	\$ 444,046	\$ 502,151	\$ 274,272	\$227,879
1997	\$ 58,105	\$ 241,212	\$ 1,194,679 <sup>2</sup>	\$ 248,629	\$946,050
1998	\$946,050	\$ 343,148	\$1,289,198	\$ 333,866	\$955,332
1999	\$955,332	\$ 352,800	\$1,308,132	\$ 419,485	\$888,647
<b>Totals</b>		<b>\$1,676,896</b>	<b>\$3,752,593</b>	<b>\$1,571,942</b>	

Source: Office of the D.C. Auditor based on FMS and SOAR Reports for the D.C. Taxicab Commission

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<sup>2</sup> Total income for fiscal year 1997 is comprised of the opening balance of \$58,105, collections in the amount of \$241,212, and restored Assessment Fund monies and year end adjustments totaling \$895,362.

**THE COMMISSION SUBMITTED ONLY ONE ANNUAL SPENDING PLAN FOR THE COUNCIL'S APPROVAL DURING FISCAL YEARS 1995 THROUGH 1999**

The Commission's operating budget is funded from local revenue and other sources. The Assessment Fund, which is the "other" funding source, is subject to spending limitations imposed by the District of Columbia Council. D.C. Code, Section 40-1720(e), states that "On October 15<sup>th</sup> of each year the Commission shall submit to the Council a plan for the use of all monies in the Fund. The proposed plan shall be submitted to the Council for approval, in whole or in part, by resolution. The expenditures of monies in the Fund shall be subject to Council approval of the annual plan..."

The Commission submitted Assessment Fund spending plans, which were approved in fiscal years 1992 and 1993, but the Commission did not submit spending plans for fiscal years 1994 through 1998 because in fiscal year 1994 the then-District of Columbia Controller transferred the entire balance of approximately \$583,836 from the Assessment Fund to the District's General Fund. During fiscal years 1995 through 1997, the \$50 assessments were still collected and deposited to the Assessment Fund, but were subsequently transferred to the District's General Fund. In September 1997, as noted in footnote 2, \$895,362 was restored to the Assessment Fund. This amount was comprised of the 1994 Assessment Fund ending balance of \$583,836, Assessment Fund monies transferred to the General Fund during fiscal years 1995 through 1997, and year end adjustments for fiscal year 1997. Following the restoration of these monies, the Commission submitted a spending plan for fiscal year 1999. Therefore, for the three fiscal years under review, the only spending plan submitted to the Council for its review and approval was the fiscal year 1999 spending plan.

On April 13, 1999, the Council passed Resolution 13-107, the "District of Columbia Taxicab Commission Fund Annual Plan Approval and Disapproval Resolution of 1999." The Commission submitted a spending plan in the range of \$336,000 to \$441,000 to accomplish the initiatives detailed in Table III. The Council approved a spending plan for only \$299,500, which was \$36,500 to \$141,500 less than the Commission's spending plan range. The Commission exceeded the Council's approved \$299,500 spending plan by \$120,345, in part, as a result of the late submission of the spending plan, the Council's ultimate approval of a spending plan significantly below the Commission's request, and the fact that the Commission had already obligated funds that exceeded the approved spending plan. The Council reminded the Commission's Interim Chairman during a

hearing on the fiscal year 2001 budget that Congress, through the budget process, sets the ceiling on fiscal year spending; however, the Council has the authority to set the spending limit below the ceiling approved by Congress. The Council also acknowledged that the approval of the budget and the approval of the spending plan should occur within the same time frame to ensure that the Commission's expenditures do not exceed the Council's approved spending plan.

**Table III**  
**D.C. Taxicab Commission**  
**Fiscal Year 1999 Spending Plan**  
**Projected Expenditures and Approved Expenditures**

<b>Planned Items</b>	<b>Projected Expenditure</b>	<b>Approved by Council</b>
Complete a study of changing from zones to meters	\$3,000 to \$5,000	\$5,000
Complete a comprehensive meter rate study	3,000 to 5,000	5,000
Evaluate the University of the District of Columbia's driving training course;	5,000 to 7,000	6,000
Complete an industry study of rules and fees	3,000 to 5,000	2,500
Print training manuals for enforcement purposes to assist the MPD	5,000 to 7,000	7,000
Salaries for three filled staff positions	197,000	164,000
Computer system improvements	90,000 to 150,000	90,000
Legal fees	30,000 to 35,000	20,000
Other taxicab matters	-0-	-0-
<b>Total</b>	<b>\$336,000 to \$411,000</b>	<b>\$299,5000</b>

Source: Office of the D.C. Auditor based on the District of Columbia Taxicab Commission Fund Annual Plan Approval and Disapproval Resolution of 1999.

**ASSESSMENT FUND EXPENDITURES FOR FISCAL YEARS 1997, 1998, AND 1999  
WERE CONSISTENT WITH THE PERMITTED USE OF THE FUND**

The Auditor examined supporting documentation for all expenditures exceeding \$10,000 during the fiscal years under review and found that the expenditures were properly authorized and consistent with the permitted use of the Assessment Fund. Appendices I, II, and III present disbursement details for the respective years by vendor name, purpose, and amount. Table IV below shows total expenditures by object class for fiscal years 1997, 1998, and 1999. The Auditor's discussion of significant items and trends in Table IV is presented after the table.

**Table IV  
D.C. Taxicab Commission  
Assessment Fund Expenditures by Object Class  
For Fiscal Years 1997, 1998, and 1999**

<b>Object Class Description</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>
Salaries	\$ 5,463.01	\$ 141,914.25	\$ 167,507.52
Office Supplies		1,354.30	2,137.70
Photographic Supplies			603.50
Telephones	20,000.00		9,957.87
Rent	158,000.00	158,053.26	158,000.00
Travel-Local		179.55	
Maint. & Repairs - Machinery		2,111.95	250.00
Maintenance & Repair - Other		249.00	
Professional Services	8,851.58	13,125.00	35,840.00
Contractor Services-Other	8,754.36	11,227.50	6,000.00
Office Support		4,231.27	138.23
Printing, Duplication	30,591.42	650.00	8,995.98
Postage			1,800.00
Membership		770.00	
Purchases - Furniture			379.98
Purchases - Equipment & Mach.			26,667.81
Purchases - Automotive Equipment	16,989.00		
Rentals - Machinery & Equip.			1,206.37
	<b>\$248,649.37</b>	<b>\$333,866.08</b>	<b>\$419,484.96</b>

Source: Office of the D.C. Auditor based on FMS and SOAR Reports for the D.C. Taxicab Commission Assessment Fund

## **Significant Items and Trends Revealed in Table IV**

**Salaries:** The Commission is authorized to pay the salaries of three employees from the Assessment Fund. Salaries paid from the Fund in 1997 were significantly lower than those paid in fiscal years 1998 and 1999 because the amount represents salaries paid for the last month of fiscal year 1997 only. Prior to September 1997, the employees' salaries were paid from local funds.

**Telephones:** The Commission occupied larger space prior to fiscal year 1998; therefore, it had considerably more telephone lines and phones. Documentation which details actual telephone service and equipment charges was not available at the time of the audit. Further, it is unknown at this time why no expenditures were made for telephone service or equipment in fiscal year 1998. The Deputy Chief Financial Officer for Economic Development stated that it is likely that the former Department of Administrative Services never billed the Commission or erroneously charged another agency for the Commission's fiscal year 1998 telephone charges.

**Professional Services:** Expenditures for professional services increased during the three fiscal years under review. As shown in Table IV, expenditures for professional services in fiscal year 1999 were double those for fiscal year 1998 and four times greater than those for fiscal year 1997.

The increase was due, in great part, to costs incurred for the services of an examiner to hear and decide consumer complaints. In its fiscal year 1999 budget submission, the Commission stated that the elimination of compensation for commissioners and the loss of key personnel created a backlog in resolving consumer complaints. To handle the backlog, the Commission started a pro-bono hearing examiner program under which attorneys are appointed to hear and decide complaints. The Commission found these volunteer services to be logistically cumbersome, time-consuming, and ineffective in handling the large backlog of complaints. Therefore, in May 1999, the Commission awarded a contract to a former Commission examiner to alleviate the backlog. During the 9-month period of May 27, 1999 through February 23, 2000, the Commission's contract hearing examiner adjudicated 144 citizen complaints, 24 company complaints, and 51 refusal to haul complaints. The contract examiner adjudicated a total of 219 complaints compared to 16 complaints adjudicated by the pro bono attorneys during the prior 10-month period of April 14, 1998 through February 16, 1999.

The increase in expenditures for professional services was also due to a \$20,000 settlement of a lawsuit for attorney fees in the case of D.C. Professional Taxicab Drivers Association, Inc v. District of Columbia relative to the restoration of Assessment Fund monies which were transferred to the District's General Fund in fiscal year 1994.

**Purchase of Automobile:** Fiscal year 1997 shows an expenditure for \$16,989 for the purchase of an automobile. In a memorandum to the former Office of Financial and Technical Services, the Taxicab Commission's General Counsel stated that the purchase was consistent with permissible uses of monies in the Assessment Fund in that the vehicle was purchased for use in taxicab related matters including, but not limited to, transporting Commission staff to attend taxicab related meetings and investigating the enforcement of taxicab rules and regulations throughout the metropolitan area such as hotels, the bus terminal, and Union Station. At the time this expenditure was made, the responsibility for investigating and enforcing taxicab rules and regulations had been transferred to MPD.

**Equipment Purchases:** The Commission spent a total of \$26,326 in fiscal year 1999 to purchase a Minolta Fax Machine (\$1,240); Xerox Copier 214 (\$2,480); Xerox Copier 230 (\$14,750); and Dell Server 4300 (\$7,856).

## **OPERATIONAL ISSUES PERTAINING TO PUBLIC VEHICLE ENFORCEMENT**

### **The Ratio of Hack Inspectors to Licensed Taxicabs Is Inadequate**

There are only three (3) Public Vehicle Enforcement Inspectors, commonly referred to as hack inspectors, to enforce taxicab regulations and issue citations related to taxicab requirements including notices of civil infractions issued pursuant to 31 DCMR 825.<sup>3</sup> There are approximately 6,800 licensed taxicabs in the District of Columbia. This means that there is one hack inspector for every 2,226 taxicabs.<sup>4</sup>

In April 1996, the D.C. Taxicab Commission performed this function with seven (7) hack inspectors. In October 1996, due to budget reductions, taxicab enforcement responsibilities, along with six (6) FTEs were transferred from the D.C. Taxicab Commission to the Metropolitan Police Department (MPD). At the time of the transfer, only five (5) of the six (6) hack inspector positions were filled. The inspectors were originally assigned within the Traffic Division of the MPD; however, in October 1998, the MPD underwent a major organizational restructuring. As a result of the restructuring, the Traffic Division was disbanded and the majority of its functions were transferred to each of the seven police districts. At the time of this report, only three (3) inspectors

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<sup>3</sup> See Appendix IV for a listing of civil infractions and their respective fine amounts.

<sup>4</sup> The Commission has not conducted a study of all major U.S. cities to compare the ratio of hack inspectors to taxicabs; however, the Commission Chairman informed the Auditor that New York City has twice as many cabs as the District and 150 Hack Inspectors. Based on this limited data, the District's ratio of inspectors to taxicabs is dismal.



remain employed. The inspectors are currently assigned to the First, Second, and Third police districts because MPD determined that these districts were areas containing the most taxicab activity.

D.C. Code, Section 40-1712(f), states: "There shall be no less than 12 hack inspectors to be employed in enforcing the present rules and regulations pertaining to taxicabs and any future rules and regulations established." Thus, the current contingent of three (3) Public Vehicle Enforcement Inspectors fails to comply with D.C. Code, Section 40-1712(f).

The adverse effect of an inadequate ratio of inspectors to licensed taxicabs can be measured in terms of public safety, effective enforcement, equitable non-discriminatory service delivery throughout the city, and loss of revenues associated with civil infraction notices. As detailed in Appendix IV, there are more than three dozen possible infractions for which a taxicab driver can receive a citation. It is clearly impossible for 3 hack inspectors to effectively monitor 6,800 taxicabs for more than 30 possible infractions.

The need for more hack inspectors was a major issue of the D.C. Taxicab Commission before the transfer of the enforcement function to MPD. Thus, the steady decline in hack inspectors appears to have exacerbated this area of performance. In a May 5, 2000 memorandum to the Auditor, the Commission's chairperson stated that since the Commission's hack inspectors were transferred to MPD, taxicab enforcement problems have increased and the Commission is currently receiving more egregious complaints from citizens, consumers, and other taxicab operators about the conduct of taxicab, limousine, sedan, and shuttle operators.

It does not appear that the function will be returned to the Commission in the near future; however, the Committee on Public Works and the Environment recommended in the Fiscal Year 2001 Budget Request that \$790,000 be made "available for the hiring of additional 15 FTEs by the MPD as hack inspectors." The addition of 15 FTEs should result in 21 authorized FTE positions at the MPD for taxicab enforcement efforts.

## **RECOMMENDATIONS**

1. The D.C. Taxicab Commission conduct a study of U.S. cities of comparable population, square miles and number of taxicabs or service-for-hire vehicles and use the results to support future proposals to increase the number of hack inspectors in the District.
2. The Metropolitan Police Department immediately increase the number of hack inspectors consistent with the requirements of D.C. Code, Section 40-1712(f), in order to protect the public's safety, ensure effective enforcement of taxicab regulations and encourage equitable nondiscriminatory taxicab service delivery throughout the city.

**D.C. Taxicab Commission Does Not Receive Status Reports on Ongoing Activities, Findings, Fines, Problems or Concerns Noted by Metropolitan Police Department Hack Inspectors**

The MPD has been non-compliant with respect to the requirement of D.C. Code, Section 40-1722, "to provide to the Taxicab Commission, on an annual basis, a report on the number of citations issued to vehicles for hire." Prior to the transfer of the enforcement responsibilities, the Commission reported the following enforcement statistics:

	<u>FY 1995</u>	<u>FY 1996</u>
Citations for infractions	1,935	3,640
Special Initiatives	36	36
Street Inspections	16,800	16,800

Since the transfer of the enforcement function to the MPD, the Commission has not received the information it needs to produce statistics such as those shown above, or any other, and to assess driver compliance with the rules and regulations of the Commission. This lack of communication and coordination between MPD and the Commission has adversely affected the Commission's ability to assess the effectiveness of MPD's enforcement activities not only in terms of public safety but in revenue generation. Discussions with MPD revealed that MPD was aware of the annual requirement to submit enforcement data to the Commission, but has failed to do so for the past three years. Further, MPD has not kept internal reports on citations issued.

**RECOMMENDATIONS**

1. The Metropolitan Police Department immediately provide to the Taxicab Commission the annual citation data for the past three years as required by D.C. Code, Section 40-1722, including the amount of fines levied and collected, and continue to provide such data annually to the Commission.
2. The Taxicab Commission and MPD work together to ensure that the Taxicab Commission receives all data it needs on an agreed upon frequency to enable the Commission to assess the effectiveness of the enforcement activity and be responsive to the concerns of District residents and visitors.

## CONCLUSION

For the past five years, the D.C. Taxicab Commission's budget has been reduced by approximately 48.44 percent of its fiscal year 1995 budget and its staff has declined by 72 percent from 32 full time equivalent positions (FTEs) in fiscal year 1995 to 9 FTEs in fiscal year 1999. Despite declining budgets, the Commission has managed to keep its overall annual spending below approved budgets. There has, however, been a problem of untimely submission of spending plans to the Council. As a consequence, in fiscal year 1999, the Commission spent \$120,345 more than the \$299,500 spending plan approved by the Council.

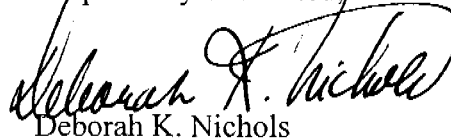
Internal controls governing the collection, use, expenditure and reporting of Assessment Fund monies appear to be adequate. Most of the recommendations of the previous audit have been resolved. Three unresolved recommendations of the previous audit are currently under review by the Corporation Counsel. The recommendations were that the Corporation Counsel (1) seek restitution from the Taxicab Commission chairperson, at that time, and general counsel for \$9,361 expended under an agreement between Leftwich, Moore and Douglas and the Taxicab Commission for expenditures not approved by the Taxicab Commission; (2) seek restitution from the Taxicab Commission's general counsel for an unauthorized payment of \$9,995 to Leftwich, Moore and Douglas; and (3) recover the money paid for membership fees from individuals attending the International Conference for Public Transportation Regulators or those Taxicab Commission officers who authorized the payments.

The current audit did not reveal questionable expenditures from the Taxicab Assessment Fund. The Auditor found that the Assessment Fund expenditures were properly authorized and complied with applicable financial and procurement regulations.

The transfer of vehicle registration and adjudication functions to the Department of Public Works Bureau of Traffic Adjudication and the transfer of taxicab enforcement functions to the Metropolitan Police Department had an adverse impact on the Commission. Staff and funding for these functions were also transferred from the Commission to these agencies. After the transfer of the adjudication function, the Commission did not have any qualified staff to hear and resolve consumer complaints. It attempted to resolve its backlog of consumer complaints by establishing a pro-bono hearing examiner program. The program proved to be logistically cumbersome and ineffective in handling the backlog; therefore, the Commission procured the services of a paid examiner.

Recommendations resulting from the current audit involve operational issues such as the need for more hack inspectors. D.C. Code, Section 40-1712, states that there shall be no less than twelve (12) hack inspectors to enforce the rules and regulations pertaining to taxicabs; however, only three (3) hack inspectors are employed by the MPD to monitor 6,800 taxicabs in the District of Columbia. The transfer of the enforcement function to the MPD, coupled with a reduction in the number of hack inspectors employed by MPD, diminished the District's ability to assess the effectiveness of taxicab enforcement activities, assure equitable non-discriminatory taxicab service throughout the District, address passenger and public safety issues, and to influence positive outcomes regarding these matters through the issuance of citations and the collection of fines. The other operational issue is the Commission's need for enforcement data and MPD's failure to provide such information as required by law. The Auditor was unable to obtain any citation data from MPD (i.e., number of citations issued, type of infraction or violation, amount of fines collected) for the audit period because the Metropolitan Police Department does not maintain the data, even though the MPD is required to submit citation information to the Commission annually, which it has failed to do for the past three years.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Deborah K. Nichols", written over a horizontal line.

Deborah K. Nichols

District of Columbia Auditor

## **APPENDICES**

**D.C. Taxicab Commission  
Assessment Fund  
Fiscal Year 1997 Expenditures**

<b>Contractor/Supplier</b>	<b>Purpose</b>	<b>Amount</b>
Department of Admin. Services	Rent	\$158,000.00
Department of Admin. Services	Printing, Duplicating, etc.	25,000.00
Department of Admin. Services	Telephone	20,000.00
Sheehy Ford of Gaithersburg	Purchase Automobile	16,989.00
DCTC Staff	Salaries	5,463.01
Leftwich, Moore & Douglas	Legal services performed in fiscal years 1994 and 1995, but paid in fiscal year 1997	2,656.58
Toucan Business Forms	Printing, Duplicating	2,537.96
Nathan Price	Tests Preparation	2,000.00
Richard Brooks	Tests Preparation	2,000.00
Burt Coleman	Tests Preparation	2,000.00
Mary Wren	Admin. Support to Taxicab Driver Examiner	1,953.20
Mary Wren	Admin. Support to Taxicab Driver Examiner	1,233.56
Toucan Business Forms	Stickers (Printing)	1,128.78
Mary Wren	Admin. Support to Taxicab Driver Examiner	1,028.00
Mary Wren	Admin. Support to Taxicab Driver Examiner	1,028.00
Mary Wren	Admin. Support to Taxicab Driver Examiner	1,028.00
Mary Wren	Admin. Support to Taxicab Driver Examiner	925.20
Toucan Business Forms	Printing, Duplicating	896.00
Mary Wren	Admin. Support to Taxicab Driver Examiner	822.40
Toucan Business Forms	Printing, Duplicating	651.23
Xerox Corporation	Maintenance	386.00
Northern Virginia Mediation	Training	350.00
Baumgarten Co. of Washington	Printing, Duplicating	283.50
Mary Cooke	Professional Service Fees	195.00
Department of Admin. Services	Printing, Duplicating	93.95
	<b>Total</b>	<b>\$248,649.37</b>

Source: Office of the D.C. Auditor based on FMS Reports for the D.C. Taxicab Commission

**D.C. Taxicab Commission  
Assessment Fund  
Fiscal Year 1998 Expenditures**

<b>Contractor/Supplier</b>	<b>Purpose</b>	<b>Amount</b>
Department of Administrative Services	Rent	\$158,053.26
DCTC Commission Staff	Salaries & Fringe Benefits	141,914.25
Dunn Computer	Computer Needs Assessment	13,125.00
Lloyd Moving Service	Move Office Furniture	7,267.50
Executive Personnel (Temp. Agency)	Secretarial Services	4,231.27
D.C. Metropolitan Police Department	Fingerprinting Services	3,960.00
Xerox Corporation	Maintenance	2,111.95
General Services Administration	Supplies	1,354.30
International Association of Taxicabs	Membership	770.00
D.C. Department of Corrections	Printing	650.00
Community Safe & Lock	Replace Lock	249.00
Imprest Fund	Local Travel	179.55
	<b>Total</b>	<b>\$333,866.08</b>

Source: Office of the D.C. Auditor based on FMS Reports for the D.C. Taxicab Commission

**D.C. Taxicab Commission  
Assessment Fund  
Fiscal Year 1999 Expenditures**

<b>Contractor/Supplier</b>	<b>Purpose</b>	<b>Amount</b>
Salaries, Rent, Telephone	(167,507.52; 158,000.00; and 9,957.87)	\$335,465.39
Carter & Coleman, PC	Legal Fees	20,000.00
Xerox Corporation	Copier	15,287.81
William C. Fesson	Hear & Decide Consumer Complaints	9,600.00
Dell Computer Corporation	Server Replacement	7,856.00
William C. Fesson	Hear & Decide Consumer Complaints	6,240.00
Toucan Business Forms, Inc.	Fare Stickers & Art Work	4,200.00
Xerox Corporation	New Copier	3,524.00
General Services Administration	Office Supplies	2,000.00
Bertie M. Bowman	Update Hack & Chauffeur Test	2,000.00
Edward J. Chubbs	Update Hack & Chauffeur Test	2,000.00
George Fenderson	Update Hack & Chauffeur Test	2,000.00
Toucan Business Forms, Inc.	Zone Maps	1,825.60
U.S. Postal Service	Postage for Postal Meter (1,400 & 400.00)	1,800.00
Pitney Bowes, Inc	Stamp Machine Rental	927.00
Toucan Business Forms, Inc.	License & I.D. Card	674.00
Toucan Business Forms, Inc.	Passenger Rights Form	611.76
Polaroid Corporation	Film	603.50
ABC Imaging of Washington	Examination Registration Card	600.00
Office Depot	Chair (379.98) and Postcards (137.70)	517.68
Minolta Business Systems	Toner	507.00
Standard Supply & Equipment Co.	Printer Cartridges	412.50
Pitney Bowes, Inc.	Stamp Machine (256.19 & 23.18)	279.37
Xerox Corporation	Maintenance	250.00
Standard Office Supplies	Printer Ribbons	165.12
Petty Cash	Cash Reimbursement	138.23
	<b>Total</b>	<b>\$419,484.96</b>

Source: Office of the D.C. Auditor based on records maintained by the Deputy CFO for Economic Development



**825 CIVIL FINES FOR TAXICAB INFRACTIONS**

825.1 The civil infractions and their respective fine amounts set forth in this section do not include those major moving violations for which jurisdiction remains in the Superior Court.

<b><u>INFRACTION</u></b>	<b><u>FINE</u></b>
<b>Accident</b>	
Failure to report to insurance carrier within specified time	\$ 25.00
<b>Air Conditioning</b>	
Improperly operating system	100.00
<b>Cruising Lights</b>	
Broken	25.00
Failure to have	50.00
Failure to use	25.00
<b>Curb</b>	
Failure to pull to curb to pick up and discharge passenger(s)	25.00
<b>DCTC License</b>	
Failure to display	100.00
Failure to have	500.00
<b>Destination</b>	
Asking in violation of §819.9	25.00
<b>Dirty Taxicab</b>	50.00
<b>Dressed Operator</b>	
Unkempt or improperly dressed	25.00
<b>Failure to Notify</b>	
The Office of a change in information	25.00
<b>Fares</b>	
Failure to charge proper fare	25.00
Failure to give receipt upon request	25.00
Refusing to pay	25.00
Soliciting	25.00
<b>Heating</b>	
Improperly operating system	100.00

## 825.1 (Continued)

<b>Hubcaps and Wheel Covers</b>	
Failure to have	\$ 25.00
<b>Identification Cards</b>	
Failure to display for passenger(s) view	25.00
Operating without an identification card	500.00
Permitting the operation without an identification card	500.00
<b>Insignia</b>	
Failure to have proper colors, number or insignia on vehicle	25.00
<b>Loitering</b>	25.00
<b>Manifest</b>	
Failure to have approved form in possession	25.00
Failure to properly complete and maintain	25.00
Failure to provide manifest to government agency	100.00
<b>Map</b>	
No zone rate map displayed	25.00
<b>No Smoking</b>	
Violation of law	25.00
<b>Orders of Enforcement Personnel</b>	
Failure to obey an order of a Civilian Hack Inspector or other law enforcement personnel engaged in enforcement of taxicab laws and regulations	50.00
<b>Parked</b>	
More than 5 feet from cab hack stand	5.00
Off stand	5.00
<b>Passenger</b>	
Loading or unloading in crosswalk	25.00
Overloading	25.00
Refuse to haul	250.00
<b>Property</b>	
Failure to report property left in vehicle	25.00

## 825.1 (Continued)

**Seat Belts**

Failure to have mandatory use of seat belts signage	100.00
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**Sign**

Improper use of "Off Duty"	100.00
Improper use of "On Call"	100.00

**Speedometer or Odometer**

Defective	25.00
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**Unlicensed Operator**

D.C. resident	500.00
Non-resident	500.00

**Unlicensed Vehicle**

D.C. resident	500.00
Non-resident	500.00

**Zone Rate Sticker**

Failure to display	25.00
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825.2 In addition the civil fine, failure to pay the fine or request a hearing within fifteen (15) calendar days of the issuance of a notice of infraction may result in the imposition of a penalty equal to the amount of the civil fine.

825.3 Failure to appear for a requested hearing may result in the imposition of a penalty equal to twice the amount of the civil fine.

825.4 The civil fines set forth in this section shall be doubled for the second violation of the same infraction, and shall be doubled once more for any subsequent violation or violations of the same infraction.

**SOURCE:** Final Rulemaking published at 37 DCR 3595, 3627 (June 1, 1990); as amended by Final Rulemaking published at 41 DCR 5958 (August 19, 1994); by §3 of the District of Columbia Taxicab Commission Establishment Act of 1985 Amendment Act of 1994, D.C. Law 10-171, 41 DCR 5149, 5150 (August 5, 1994); by Final Rulemaking published at 43 DCR 6959 (December 27, 1996); by §3 of the Mandatory Use of Seat Belts Amendment Act of 1996, D.C. Law 11-244, 44 DCR 1156 (February 28, 1997); and by Final Rulemaking published at 45 DCR 8868 (December 11, 1998).

## 826 COMPLAINTS TO BE FILED

826.1 In addition to complaints which may be filed pursuant to the District of Columbia Taxicab Commission Establishment Act of 1985, as amended, and this title, law enforcement personnel (including civilian hack inspectors) engaged in enforcement of taxicab laws and regulations, may file a complaint for any violation of §§822.2 and 822.3.

**SOURCE:** Final Rulemaking published at 37 DCR 3595, 3630 (June 1, 1990).

## **AGENCY COMMENTS**

## **AGENCY COMMENTS AND AUDITOR'S EVALUATION**

On May 9, 2000, the District of Columbia Auditor transmitted, for review and comment, a draft report entitled, "Review of the Financial and Administrative Activities of the Taxicab Assessment Fund for Fiscal Years 1997, 1998, and 1999," to the Chief of the Metropolitan Police Department, the District of Columbia Chief Financial Officer, the Deputy Chief Financial Officer for Economic Development, and the Chairman of the District of Columbia Taxicab Commission. Comments were requested by close of business Tuesday, May 23, 2000. No comments were received from the District's Chief Financial Officer or the Deputy Chief Financial Officer for Economic Development as of the date of this report. Comments were received from the Chief of the Metropolitan Police Department on June 1, 2000 and the Chairman of the Taxicab Commission on May 24, 2000. Where appropriate, changes have been made to the final report as a result of comments received from the Chief of Police and the Taxicab Commission. The comments are appended, in their entirety, as part of the final report on the Taxicab Assessment Fund.

### **Evaluation of Comments from the Chief of the Metropolitan Police Department**

The Chief of the Metropolitan Police Department concurred with the Auditor's draft report and added the recommendations that: (1) Enforcement activity be reverted to the Commission, along with the hack inspectors, and (2) the Metropolitan Police Department immediately conduct a review of the circumstances surrounding the failure to submit Notice of Infraction information for the listed period and forward the information immediately to the Taxicab Commission upon the collection of the requisite data. The Auditor concurs with these recommendations.

### **Evaluation of Comments from the Chairman of the Taxicab Commission**

The Chairman of the Taxicab Commission concurred with the Auditor's draft report and provided supplemental information concerning two areas of the report as follows: (1) change the staffing figure of 26 to 32 for fiscal year 1995, and (2) delete the statement that the Taxicab Commission procured outside legal services in fiscal year 1997. It is true that the Commission expended funds in fiscal year 1997 for legal services; however, the legal services were rendered in fiscal years 1994 and 1995. The Auditor concurs with the Commission's recommendations and has made the appropriate changes to the final report.

GOVERNMENT OF THE DISTRICT OF COLUMBIA

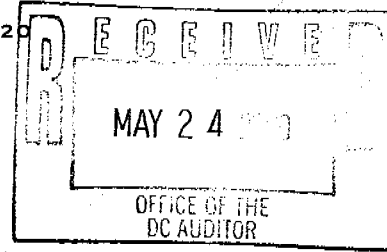
TAXICAB COMMISSION

2041 MLK. JR. AVENUE, S.E.

2ND FLOOR

WASHINGTON, D.C. 20020

(202) 645-6005



OFFICE OF THE CHAIRPERSON

May 23, 2000

Ms. Deborah K. Nichols  
District of Columbia Auditor  
Office of the District of Columbia Auditor  
717 14<sup>th</sup> Street, N.W.  
Suite 900  
Washington, D.C. 20005

Dear Ms. Nichols:

I have reviewed the draft "Review of the Financial and Administrative Activities of the Taxicab Assessment Fund for Fiscal Years 1997, 1998, and 1999," (draft report) prepared by the Office of the District of Columbia Auditor. Transmitted herewith is information to support my recommendations to amend two (2) areas of the draft report.

First, the language at pages 3 and 23 of the draft report concerning reductions in the District of Columbia Taxicab Commission's (Commission) budget between 1995 and 1999 should be corrected. Between 1995 and 1999 the Commission's staff was reduced from 32 FTEs to 9 FTEs. In 1994 there were 32 FTEs at the Commission. Please see enclosed pages 30 and 31 from the "District of Columbia Fiscal Year 1995 Operations Budget."

Second, at page 10 in reference to Auditor's Recommendations No. 8, under Implementation Status and Auditor's Comments, the Commission did not procure outside legal services in fiscal year 1997. The legal services were procured from February 7, 1994 through November 6, 1995. The legal services were not, however, paid until 1997. Please see enclosed documentation.

I trust these recommendations will be incorporated into the final report.

Sincerely,

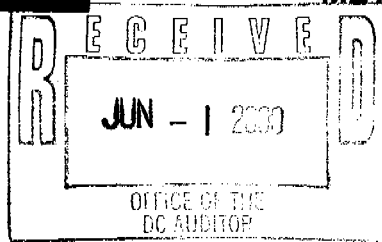
A handwritten signature in dark ink, appearing to read "George W. Crawford".

George W. Crawford  
Interim Chairperson

Enclosures



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
METROPOLITAN POLICE DEPARTMENT



May 23, 2000

Deborah K. Nichols  
District of Columbia Auditor  
717 14<sup>th</sup> Street, NW Suite 900  
Washington, DC 20005

Dear Ms. Nichols;

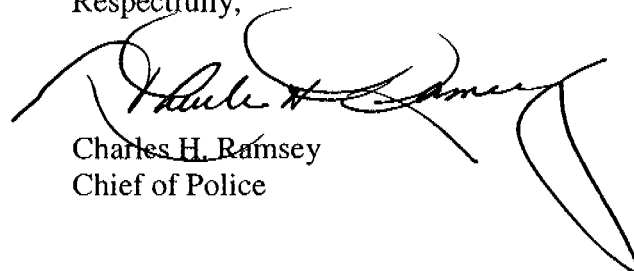
After careful review of the draft report regarding the Taxicab Commission, the Metropolitan Police Department offers the following recommendations:

Enforcement activity should be reverted to the Commission, along with the Hack Inspectors. This will enable the Commission to develop a comprehensive strategy for the enforcement of all taxicab regulations. The department will continue to work closely with the Commission with regards to training of officers and enforcement practices.

The Metropolitan Police Department will immediately conduct a review of the circumstances surrounding the failure to submit Notice of Infraction information for the listed period. The information will be forwarded immediately upon collection of the requisite data.

The Metropolitan Police Department appreciates the opportunity to provide input on this subject and looks forward to working with your agency and to the continued relationship with the Taxicab Commission. Should you have any further questions or concerns, please feel free to contact me on (202) 727-4218.

Respectfully,



Charles H. Ramsey  
Chief of Police