

SUBWAY AND BUSES HANDLING OF LOST PROPERTY

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The Metropolitan Transportation Authority Inspector General (OIG) has concluded an audit of MTA New York City Transit's (NYC Transit) lost and found program. NYC Transit officials have been briefed on these findings, and I appreciate the excellent cooperation received throughout this effort.¹ Our recommendations are intended to improve the overall effectiveness of the program, and as explained in the report, NYC Transit officials have already implemented several of them while others are under consideration.

Over 8,000 lost items are turned in to NYC Transit each year, and given that volume, a lost and found program must have a secure and well functioning intake process to successfully reunite customers with their belongings. This report focuses on how the Department of Subways (Subways) and the Department of Buses (Buses) initially process and transport lost articles to the NYC Transit's Lost Property Unit (LPU). Staff conducted field inspections of practices and procedures between April and July 2006, at five bus depots and their associated bus routes, as well as 13 subway station locations. Interviews were conducted and records were reviewed for all affected departments.²

SUMMARY OF FINDINGS

The audit found that in a number of cases, intake procedures are not always followed and that necessary supplies are not available. For example, Subway supervisors were not ensuring that initial logging and tagging of lost items is carried out to document receipt and that employees are knowledgeable about lost property procedures as required by existing policy. We found that logging and tagging of property does not occur, in part, because Logs or Lost Property Bags are not present at the collection site. We, therefore, recommend that supervisors be reinstructed on their monitoring duties and that LPU and Subways resolve the shortage of supplies. (See pages 4-6.)

Transport procedures for lost property outline how items turned into NYC Transit employees are to be expeditiously transferred to the central LPU where they can be claimed by customers. However, we found that employees were unfamiliar with some of the procedures resulting in 50 percent of lost items taking over 10 days to reach the LPU, with some items not appearing in the LPU for months after they were first turned into a NYC Transit employee. NYC Transit officials in charge of stations and those responsible for transporting lost property to the LPU were unaware that procedures were not being followed and found the language in the existing policy unclear. We, therefore, recommend that coordinated procedures be written for both Buses and Subways that clarify the transport schedule and require frequent transport between outlying locations and the LPU. Officials responsible for transport

¹ This report focuses on handling of property lost in bus and subway locations. A second report, "Performance of NYC Transit Lost Property Unit, MTA/OIG #2007-09L" concentrates on the operations at NYC Transit's centralized Lost Property Unit.

² This audit was conducted in accordance with Generally Accepted Government Auditing Standards. See Appendix A for Audit Objectives, Scope and Methodology.

within the Department of Subways already have agreed to test a more frequent pick-up schedule. (See pages 6-8.)

Our review of field operations also found there is no “chain of custody” for lost property, i.e., no system that establishes who is responsible for lost items at each stage of processing. For example, there was no procedure for transferring custody during transport or upon delivery of lost property to the LPU or an intermediate facility. As a result of the audit, a new procedure was established for Subways. Officials from the Department of Buses said they would consider such a procedure. (See page 9-10.)

We also found that on some occasions, valuable jewelry such as a diamond earring or a wallet containing hundreds of dollars had been turned in as lost property, but never transported to the LPU to be claimed by the owner. Investigation into the missing valuables was typically inconclusive and no one was held responsible because the “chain of custody” could not be established. In addition, we found cases where managers in Buses were reluctant to pursue the disappearance of lost property and little was ever documented about what investigative steps were taken. We recommend that appropriate investigation of items missing after being given over to NYC Transit’s custody be conducted and the investigative steps taken be documented. (See page 8-9.)

As part of our audit, we handed 26 items to NYC Transit employees in subway stations and on buses, telling them we had just found the item and it must have been lost by a customer. Twenty-three out of the 26 articles were never logged into the custody of NYC Transit, the first formal step in the process. Despite repeated attempts, we could not locate these items. In the 23 cases, there was a breakdown at the very first stage of the lost and found program. We recommend that NYC Transit ensure that its procedures are logistically reasonable, train its employees on their responsibilities for lost property, and similar to Metro-North Railroad, consider testing employee compliance with lost property procedures. (See pages 10-11.)

And finally, the report highlights areas of concern with certain current policies and procedures that require NYC Transit to consolidate, update, clarify or otherwise revise them in order to make them more useful. (See pages 11-12.)

A list of the audit recommendations can be found on pages 12-13.

BACKGROUND

Customers leave a variety of articles on public transit ranging from easily replaceable items such as umbrellas or gloves, to items of monetary or sentimental value. The LPU shelves are filled with purses with personal photos and credit cards, school bags containing homework assignments and textbooks, computers and I-Pods. NYC Transit’s intake procedures are similar for all these items, and include certain additional provisions for expedited processing of valuables.

Designated subway booths, subway dispatcher offices, and bus depots serve as collection points in the system and are referred to as Lost Property Locations. According to departmental policy, lost items found by NYC Transit employees are to be dropped off at one of the Lost Property Locations for intake. At this point, receipt of a lost article is to be recorded in a Lost Property Log and it is to be tagged with a “D Receipt,” i.e., a card that provides a unique number and space for a description of the item, the date it was turned over, and other identifying information. The “D Receipt” is attached to the lost item while a copy of the “D Receipt” remains in the receipt book (much like a checkbook with carbon copies). All tagged items and the receipt book are to be placed in a locked Lost Property Bag.

These large canvas bags are then transported by Subway Revenue Agents or Buses' couriers to the LPU at 34th Street where the contents are inventoried. Information about lost items is entered into a computer and the items stored on shelves or in a safe. Articles are held at that location for six months to allow customers to retrieve them. If no one claims an item, it will be disposed of or offered at an auction with the proceeds going to NYC Transit.

Policies and Procedures

Both the Department of Subways and the Department of Buses have procedures regulating the intake of lost property. Lost Property intake procedures for the Department of Subways exist in two, substantially identical documents each issued by the Chief of the affected divisions. *The Division of Station Operations, Notice No. 180-05* provides direction for token booth and station personnel and *the Division of Rapid Transit Operations, Notice No. 70-05* is directed at dispatchers. These Notices provide essentially the same direction and outline the entire logging, tagging, and transport process in detail. A third, *Notice No. 71-05* from the Chief of Rapid Transit Operations lists the designated Lost Property Locations throughout the system to which lost articles can be forwarded by Subways employees. As of August 2006, 41 locations were designated Lost Property Locations.

Department of Buses Rules and Regulations, Rule 34 "Lost Articles" (Rule 34) is the governing authority for handling lost property in Buses. This Rule is not as detailed as the Subways' Notices, but states generally that lost articles should be forwarded to convenient locations with Lost Property Bags, examined, and their intake entered into a book. As of August 2006, 18 bus depots were designated as Lost Property Locations for Buses.³ Rule 34 also states that articles are to be properly tagged and forwarded to the LPU.

INTAKE OF LOST ARTICLES AT SUBWAY STATIONS

OIG auditors tested whether selected provisions in *The Division of Station Operations, Notice No. 180-05* and *the Division of Rapid Transit Operations, Notice No. 70-05* were being followed by visiting, unannounced, seven subway booths and six dispatcher locations designated as Lost Property Locations. The procedures we tested exist to ensure that customers' belongings are accounted for and efficiently moved through the lost property intake process. The results of our inspections show that some procedures in Subways are not being enforced and that all locations that need Lost Property Bags and Logs do not have them.

Subway Booths Compliance with Requirements

The seven subway booths we inspected each had, as is required, a locked Lost Property Bag on site and each bag contained the receipt book. However, three of the stations did not log lost property as required by *Notice No. 180-15* because there was no Lost Property Log. In one case, an employee explained that the Lost Property Log "disappeared" and the location had not gotten a new one.

We also found that station agents did not have knowledge necessary to help customers who have lost belongings. When we asked the station agents what they tell customers who are searching for lost items, we found that three of the seven did not know the location of the LPU nor were they familiar with the contact information.

³ This figure does not include sites added after the recent take over of private bus lines by MTA Bus.

Supervisors are responsible for frequently inspecting Lost Property Locations and ensuring that responsible employees are familiar with procedures regarding the proper handling of lost property. According to procedure, supervisors should notice, for example, that station agents are following procedures to verify the bags' contents and signing the Log to that effect when a shift changes. These procedures are designed to provide a record of who had access to the lost items while the property awaited transport. However, when each of the station agents was asked if their supervisor inspects the Lost Property Bag and reviews procedures with them, they said this was not done. Ongoing supervision of station agents and regular inspection of the Lost Property Bag and Log would help reinforce procedures throughout the transit system.

The results of our station booth inspections showed inadequate adherence to important requirements for the security of lost items, specifically management oversight and the maintenance of logs. Our observations at dispatcher locations identified even more severe compliance problems.

Dispatcher Offices Compliance with Requirements

Seventeen dispatcher offices in Rapid Transit Operations (RTO) are designated as Lost Property Locations. These offices are generally located at the end of station platforms and serve as the onsite location for crew assignments and adjustments. We conducted inspections of six Lost Property Locations housed in dispatcher offices in order to check for the presence of Lost Property Bags and Logs.

Although the same rules apply to dispatch offices as to subway booths, problems were more frequent in the dispatcher locations. Five of the six locations had a secured Lost Property Bag and D receipt book while one location had no bag at the time of our visit. The dispatcher at that location told us the location would usually go without a Lost Property Bag for "weeks at a time" and articles would just be piled in the corner. Three other dispatcher locations had or used to have lost articles unsecured even though there was a Lost Property Bag at each of the three. At one of these locations, it was even policy to leave them unsecured for 24 hours in case the owner came looking for the property. Another of the dispatch offices had two Lost Property Bags, both full with articles that had been given D tags over six months earlier and were still awaiting transport.

Five of the six locations we visited did not have an official Lost Property Log as required. The dispatcher at one of these locations told us that he had not had an official log for about 17 years. Since Lost Property Bags and D receipt books circulate to the LPU and back out to the field, the log provides a local record of what has been handled at that site and is sometimes the only record of whether an article is claimed in the field by its owner or just missing from a Lost Property Bag.

As is to be expected, the dispatchers we spoke with were usually occupied with other responsibilities and would often have to redirect their attention from us to their dispatcher duties. During one such visit, a dispatcher expressed the difficulty of having to juggle his primary dispatcher duties with the lost property responsibilities. Lost property responsibilities are clearly not the priority of dispatchers, nor should they be, due to the constant need to focus on crew operations. Because larger items can be accepted at dispatch offices that cannot be accepted by agents in subway booths, dispatch offices may need to continue as Lost Property Locations but a means found to identify and secure items turned in there when the dispatcher is very busy.

During our audit, we could not determine why there is a shortage of Lost Property Bags and Logs. LPU officials claim there is a sufficient supply but no one asks for them. Stations and RTO officials say they do not receive them when requested. The enforcement of the Notices and designation of Lost Property Locations is the responsibility of Stations and RTO managers who during the audit expressed concern at the findings yet expressed that it will be difficult to resolve some of these problems.

We recommend Subway's supervisors be reinstructed on their duties to monitor employees at Lost Property Locations. We also recommend that officials responsible for the Lost Property Unit and Subways' Lost Property Locations work to resolve the shortage of Lost property Bags and Logs to ensure that these necessary supplies are available.

INTAKE OF ARTICLES AT BUS DEPOTS

Bus passengers may turn in lost articles to bus operators and bus operators will "sweep" buses prior to the end of their runs and find items left behind. According to Buses officials, at the end of their tours, bus operators will bring lost articles to the crew dispatcher at their depot who is responsible for logging the articles into a "D" receipt book. The driver is then given a copy of the receipt. According to one manager, any lost money is counted jointly by the driver and crew dispatcher for security purposes. Articles are then placed in a Lost Property Bag.

The official guidance for handling lost articles appears in Buses' Rule 34. While much shorter than Subway's Notices, this rule aligns itself with the Subway procedures by referring to the need to bring articles to the most convenient Lost Property Location. It also requires that articles be recorded in the Lost Property Log and transmitted to the LPU.

We visited five bus depots to assess their compliance with Rule 34 and other LPU requirements. We found all five had the required bags, logs, and were using the LPU "D" numbered receipt books. We were told by a courier employed by Buses that some depots do not keep their bags locked at all times, but we did not observe this problem ourselves.

TRANSPORT OF ARTICLES TO THE LOST PROPERTY UNIT

Lost Property Bags are transported from field locations of Subway and Buses to the 34th Street LPU to make the articles available to customers at a central location. Subways' Notices No. 180-05 and No. 70-05 state that Lost Property Bags are to be picked up weekly for transport to the LPU. According to the Notices, when picking up a bag, couriers must also sign the Lost Property Log located at each location. Buses' Rule 34 states that articles should be transmitted "as soon as possible."

Staff at the LPU inform customers seeking lost belongings that items take approximately seven days to get to them from the field. When an OIG auditor posed as a customer seeking an item lost two weeks prior, an LPU staff person told the auditor the item was not there and to not call again. She explained that if the item had not come in within two weeks, it would not be forthcoming. A depot employee also echoed this common understanding of how quickly items are transferred by telling an OIG auditor that the depot will hold a lost item for about a week and then transport it to the LPU.

To test these assertions, we examined the speed at which items are received by the LPU from the field.

Speed at Which Items Reach Lost Property Unit

We analyzed records for over 10,000 lost articles received by the LPU and recorded in its master database from March 2005 through May 2006. This analysis showed that only 48 percent of items actually reach the unit within 10 days. Thirteen percent of items take more than 31 days to reach the unit. We traced over one hundred of the most delayed articles – those taking over eight weeks to get to the LPU – in order to determine where they originated. These "long-delayed articles" were traced to both bus and subway locations, signifying that both Subways and Buses were sending in articles to LPU well after a reasonable processing period. Some of these were articles of importance to the owners, such as eyeglasses, a foreign passport, and a backpack with school books. A two-month delay for such articles is clearly unacceptable.

To determine the causes of these delays, we reviewed the requirements and procedures for transporting lost property.

Bag Pick Up for Subways

Subways' Lost Property Bags are collected by Revenue Agents from the Division of Revenue Control and brought to the NYC Transit facility on Metropolitan Avenue. From there staff from Subways Operations Services collect the bags and bring them to the LPU. During our site visits, we discussed the frequency of bag pick-up with employees and examined available records. Employees gave us various answers. We then examined the contents of the Lost Property Bags to determine the ages of the articles that had been collected. None of the twelve locations we visited appeared to have weekly pick-up of lost items.⁴ We found individual items in the bags at these sites that had been waiting varying lengths of time for transfer, from 14 days, to as long as two years.

When we asked officials from Revenue Collection how frequently they collect Lost Property Bags, these officials showed us a regular and frequent schedule for revenue collection to indicate that Revenue Agents are regularly at Lost Property Locations. However, the officials also stated that Lost Property Bags are to be picked up at the request of the station agent, not routinely collected every time the Revenue Agent comes to the site for revenue collection. As a result, Lost Property Bags were not being picked up on a weekly basis. We find this interpretation inconsistent with the Subways' Notices requirements that pick-up is to occur on a weekly basis. There is nothing in the Notice to indicate that pick-ups are upon request.

Bag Pick Up for Buses

Two bus depots, Kingsbridge and East New York, provide couriers that collect bags from all 18 depots and bring them to the LPU. The pick-up frequency for Buses is not specified in Rule 34, however superintendents we spoke with indicated that pick-up was conducted once or twice a week. During four site visits at bus depots, we examined the contents of the Lost Property Bags to see how long they had been in there. In two of the locations, no items were over seven days old. In the other two, the bags had items logged in eight days prior and 13 days prior to our visit. At the latter depot, the dispatcher explained that couriers come only about once a month.

When these findings were discussed with officials from Buses, they continued to assert that pick-up was conducted weekly. They suggested that depots may hold onto a bag if customers said they were coming to claim an item. Another suggestion was that no property had been turned in during those weeks. While these explanations may account for certain of the delays, our analysis of delayed items discussed previously indicates that delays occur with greater frequencies than officials in Buses believe.

Conclusions Regarding Transport of Bags

The responses received from those accountable for transporting lost items as well as our own field observations suggest that while NYC Transit employees may be well meaning or trying to be efficient, as in the case of Revenue Agents, they have lost sight of customer's needs and expectations. Customers seeking their personal items should be able to reclaim them in a timely fashion and not have to wait for bags to fill before they are transported. In discussion with Revenue Collection officials, they agreed to

⁴ The thirteenth location in our sample could not open their Lost Property Bag for verification. The key did not match the lock.

test the practicability of more frequent pick-ups. Reinstruction of bus couriers, regarding bag transport procedures and expectations, is required.⁵

We recommend that Subways and Buses develop procedures that require a Lost Property Bag pick-up schedule of not less than once a week to enable customers to recover articles in a timely fashion, and that Bus personnel be reinstructed regarding bus transport expectations and procedures.⁶

DISCREPANCIES BETWEEN THE RECEIPT BOOK AND BAG CONTENTS

When Lost Property Bags are opened at the LPU, two employees review and reconcile the contents with the "D" receipt books that accompany the bags. When a discrepancy is found, such as an item missing or the amount of money in a wallet is not consistent with the receipt, the LPU employee calls the crew dispatcher's office at the appropriate Lost Property Location to resolve the discrepancy. If a log is maintained as required at the site, sometimes the log will indicate that the article was claimed by its owner before it was sent to the LPU or will provide tracking information on the item. If a problem is not resolved by this contact, the manager of the LPU contacts a more senior manager at the location to request an investigation.

We reviewed the available records six for unresolved discrepancies that occurred in 2005 and 2006, e.g., the currency or valuable was not found nor was anyone found responsible. Neither the total number of discrepancies nor the date they occurred is clear since a record is not formally kept by LPU regarding such problems. Instead OIG was provided with a group of handwritten notes in a diary, loose papers and selected emails.

From those sources, we identified cases where the lack of a formal investigation was striking. In one instance what appeared to be a diamond earring disappeared after it was clearly in the hands of a Buses' employee. When the Lost Property Bag arrived at the LPU, the envelope that supposedly contained the earring was empty. In another case, a total of \$735.19 was missing from a Lost Property Bag. From the documentation, we saw that the Supervisor of the LPU repeatedly tried to find the earring and the missing money and requested that investigations be conducted. However, the responses to her requests bordered on dismissive. The Superintendent at the depot which lost the earring concluded that it was unclear how the item disappeared. In the case of the \$735.19, the currency was mysteriously located in the depot safe several weeks after the initial inquiry. It is apparent that some managers do not take seriously the need to resolve cases where a customer's property, given over to the custody of NYC Transit, is unaccounted for.

We recommend the Lost Property Unit keep formal records of any discrepancies found when it inventories property sent to its facility and document steps taken to resolve any discrepancies. NYC Transit had no specific comments to this recommendation.

Records of Investigations

Buses' Rule 34 and the Subways' Notices No. 180-05 and No.70-05, do not require written statements from field personnel who had possession of lost property that later proves to be missing. The results of field investigations are generally not put in writing but are simply verbally reported to the Supervisor of the LPU. LPU also does not maintain consistent documentation of problems or the steps taken to resolve

⁵ A separate OIG report, #2007-9, on the performance of the LPU further discusses the need for management oversight to track and keep an inventory of the Lost Property Bags.

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such situations. Conclusions of investigations need to be supported by documented evidence (interviews, records) and reported in writing to appropriate officials. The disappearance of articles in NYC Transit's custody should be regarded initially as possible thefts and treated accordingly.

We therefore recommend NYC Transit require an investigation if valuable articles or money are missing after intake. Investigative steps and findings should be documented and available for review.

NYC Transit responded that the Division of Special Investigations & Review will be responsible for reviewing and/or conducting investigations into the disappearance of valuable missing property.

INADEQUATE CHAIN OF CUSTODY

An additional concern regarding the transport of lost articles from intake to the LPU is the ability to track an item from one employee to the next all the way through the process. This transfer of lost property from the custody of one NYC Transit employee to another (i.e., chain of custody) is rarely documented or formalized in NYC Transit.

Subways Chain of Custody

When a Subways dispatcher or token booth agent is relieved by another employee, the outgoing employee is required to have the incoming employee check the contents of the Lost Property Bag and sign the Lost Property Log to document that all is in order. This is not being done. Subways' Notices state that the last person who signed for the article will be held accountable if it is missing. As discussed previously, several subway Lost Property Locations do not even have logs on site.

According to Revenue officials, collection agents are supposed to sign the Lost Property Log located at each subway site when they pick up a bag. However, at the next stage of the transport process, when bags are collected from Revenue agents at the NYC Transit Metropolitan Avenue facility, by staff from Operations Services, there was no sign off required.

As a result of our audit findings, Revenue officials stated that they instituted a documentation requirement establishing a "chain of custody" the week after learning about the problem. They gave us a copy of the new log used by Revenue Agents that itemizes their bag pick-ups and requires the signature of the party that receives the bags. If Subway employees also follow the procedure required when employees relieve each other at Lost Property Locations, the issue of "chain of custody" should be effectively addressed.

Buses Chain of Custody

There is no procedure establishing a "chain of custody" during transport of the Lost Property Bags at the Department of Buses. The General Superintendent whose couriers collect bags from Manhattan and the Bronx depots expressed concern that there is no written sign off when the courier transfers custody from the bus depots to the LPU. A superintendent whose couriers collect bags from Queens, Brooklyn and Staten Island, was uncertain as to whether couriers sign when picking up Lost Property Bags until his courier confirmed that he does not sign for bags he picks up. The courier expressed concern because he sometimes handles valuables. As an example, he recalled transporting bonds valued at \$25,000 and was not asked to sign for them.

We recommend that Subways and Buses developed coordinated procedures which include a provision that the "chain of custody" be formally maintained for found items from intake to transport to storage at LPU.

TESTING THE PROCESS

During the spring of 2006, OIG employees handed personal items to NYC Transit employees explaining that they had found the lost articles on a train or bus. In all, 26 items (which included numerous cell phones, cameras, and articles of clothing) were accepted by station agents, dispatchers, cleaners, and bus operators. Three months or more after these items were placed in the system, we recovered only three from the Lost Property Unit at 34th Street. The whereabouts of the other 23 articles is unknown. Absent a documented “chain of custody,” we cannot trace how articles given to NYC Transit employees disappeared.

This initial stage of the lost property process, when a customer turns in an item or when a lost item is found in the bus or train, is the most difficult to monitor and relies on employee willingness to follow the procedures. In some cases, turning a lost item in to a Lost Property Location may require a Subway’s employee to travel on their own time to another location. Bus Operators should be able to turn items in at the end of their tour but this requires them to wait for the logging in of the item to be completed before they can leave to go home..

To improve employee compliance rates with its lost property policy, Metro-North Railroad repeatedly reminds its employees as to the requirement to turn in lost property and spot tests compliance with undercover checks. Similar to the test conducted by the OIG, Metro-North Railroad managers place “lost” objects on trains and in stations to see if employees follow the appropriate procedures. Those who do not are disciplined. NYC Transit should consider the feasibility of instituting a similar monitoring program.

NEED TO REVIEW PROCEDURES

The Senior Director of the LPU explained that the lost property procedures are reissued regularly but that they have not been comprehensively reviewed or revised in many years. Our audit showed that the procedures need to be updated, in some cases to be made more practicable, in others to update sections to reflect the evolution of the system.

Procedures for Handling Valuables

Both Subways and Buses have expedited procedures for how employees should handle valuable articles. The Subway’s Notices require that currency over \$50 and other valuables (i.e., jewelry, laptop computers, digital cameras and camcorders) must be immediately forwarded to the LPU, or Station Operation Command if the LPU is closed, by courier. Buses’ Rule 34(d) says that “articles of great value should have a detailed description included in the D receipt book and must be forwarded to the Lost Property Unit by special messenger as soon as possible.”

NYC Transit employees expressed concern regarding the valuables policies. At one location, the Buses’ crew dispatcher was aware there was a valuables policy but he pointed out that he would not know if a watch was truly valuable or a “knock-off.” The valuables policy was also questioned by a veteran employee who explained that while he is aware of the \$50 requirement, it is not usually followed because it was impracticable. He questioned the cost-effectiveness of calling out a special messenger since the \$50 amount has not been increased in the 20 years he has worked for the NYC Transit.

The purpose of immediately transporting valuables is risk control. Valuable items and larger sums of money could become the objects of theft and thus need special safeguarding. Further, according to the Supervisor of the LPU, many employees want to be quickly relieved of the responsibility for such items. Fortunately, Buses’ employees can request that a manager access a safe for storage on the premises, and

one dispatcher said that locking up valuables until the courier comes is the way valuables were handled in his location. This practical approach appears to safeguard the articles/currency and would, in our opinion, be preferable to the way in which valuables are usually processed, namely not expedited but simply handled using the regular process. A practical definition for “valuables” that better explains which articles need to be secured at the bus depots could lead to greater compliance with procedure.

We recommend that Buses and Subways coordinate to provide a practical definition for valuables and a realistic approach for safeguarding valuable items.

Procedures Require Updating

We observed that Subways’ Notices 180-05 and 70-05 have not been adequately updated. The Notices do not provide direction for Station Agents, many of whom are now outside the booth. Are they to accept lost property? If so, how should it be safeguarded? For example, we observed a Station Agent outside a token booth at 59th Street accepting a white sweater while he was advising the customer to just leave lost items on the train stating that the crew will handle them at the end of the day. (Note: This sweater never turned up at the LPU.) We also noticed that the list of Lost Property Locations was not current even though the Notices were reissued within the last year.

While the rules need to be streamlined and reviewed for consistency, even more important, Buses and Subways need to recognize that they procedurally are part of one coordinated lost property system. This is the case even though the LPU is run by the Department of Subways. Currently, the two departments do not have consistent policies. We interviewed the Senior Director of the LPU regarding the lack of integration of the two departments. The Senior Director stated that she believed that Buses personnel had, in fact, disseminated Subways’ identical policies and procedures, perhaps under the signature of their senior manager. The Senior Director admitted that not sending Subway’s Notices to Buses was an oversight on her part. She additionally commented that some of the provisions of the Notices may need revision.

We recommend that Subways and Buses coordinate their procedures, assuring that they reflect current operational realities, including the role of Station Agents outside subway booths and the practicality of the use of dispatch offices as Lost Property Locations.

LIST OF ALL RECOMMENDATIONS

1. Supervisors for both Buses and Subways should be reinstructed on their duties to monitor employees at Lost Property Locations.
2. Officials responsible for the Lost Property Unit and Subways Lost Property Locations need to resolve the shortage of Lost Property Bags and Logs to ensure the necessary supplies are available.
3. Coordinated procedures should be written for Buses and Subways that:
 - a. Require a Lost Property Bag pick-up schedule of not less than one time per week to enable customers to retrieve articles in a timely fashion.
 - b. Include procedures to maintain a chain of custody for items from intake to transport to storage at LPU.

- c. Provide a practical definition for valuables and a realistic approach for how Buses and Subways are to safeguard valuable items.
 - d. Reflect current operating realities, such as the use of station agents outside subway booths and the practical use of dispatch offices as Lost Property Locations.
4. NYC Transit should require an investigation if valuable articles or money are missing after intake. Investigative steps and findings should be documented and available for review.
 5. The Lost Property Unit should keep formal records of any discrepancies found when they inventory property sent to its facility and document steps they take to resolve the discrepancy.

APPENDIX A
SUBWAY AND BUSES HANDLING OF LOST PROPERTY
MTA/OIG #2007-5

OBJECTIVES, SCOPE AND METHODOLOGY

OIG's objective was to determine if adequate internal controls exist to facilitate the recovery of lost articles by their owners. OIG sought to determine if procedures are adequate to safeguard found items turned over to NYC Transit facilities and to make the items retrievable by customers.

Auditors conducted reviews of field procedures between April and July 2006 at five bus depots and their associated bus routes, and at 13 subway station locations. Interviews were conducted with officials from the Department of Buses, Department of Subways, Department of Service Delivery and the Division of Revenue Control regarding the procedures used in each department. Auditors reviewed applicable NYC Transit policies and procedures as well as relevant state statutes regarding lost property. Computerized lost property records were also analyzed for trends and efficiency measures.