

THE LONG ISLAND RAIL ROAD'S LOST PROPERTY PROCESS

MTA/OIG Report #2007-22



**Barry L. Kluger
MTA Inspector General
State of New York**

December 2007



AUDIT REPORT: The Long Island Rail Road's Lost Property Process

Barry L. Kluger
MTA Inspector General
State of New York

MTA Long Island Rail Road's (LIRR) centralized Lost and Found Office (LFO) at Penn Station reports processing over 11,000 articles of lost property annually, received from all parts of LIRR's service area and handled by multiple departments. The Office of the MTA Inspector General (OIG) has concluded an audit of LIRR's processes for safekeeping and returning lost property and we have briefed LIRR officials on our findings. As this report indicates, LIRR began to address some OIG concerns during the audit. In response to a preliminary draft, LIRR stated that it planned to implement all of our recommendations and described its planned actions for doing so. LIRR further stated that timetables for these actions would be forthcoming.

This report covers aspects of LIRR's management of lost property both outside of Penn Station (the field) and by the LFO. The audit's primary objective was to determine whether LIRR's procedures resulted in items being promptly forwarded to the LFO and made available for claim. The scale and the interdepartmental nature of lost property operations require a unified program with clear procedures and accountability. In the fall of 2006, auditors visited the LFO and various field facilities and reviewed LIRR's handling of lost articles received from the field between June 1 and September 22, 2006. Auditors also conducted a field test, turning in "lost" items to field personnel.¹

SUMMARY OF FINDINGS

LIRR makes a variety of substantial efforts to reunite people with their property. The LFO in particular has a very organized and accessible facility that provides ready assistance to those enquiring about lost property. Nevertheless, we concluded that LIRR must take a more systematic approach and begin providing overall coordination of the work of the diverse departments involved. In particular, our audit found many procedures that were performed erratically, with some major functions lacking clear guidelines. This summary describes problems found in 2006 and early 2007. LIRR is now working to address these problems through a variety of corrective actions.

One important consequence of vague and/or missing guidelines is that lost items frequently did not reach the LFO in a timely manner. Gaps and flaws in recordkeeping at ticket stations—a serious problem in its own right—made it impossible to fully assess the average time involved (transfer time). Nevertheless, LIRR's own records show that at least 9 percent of items took longer than two weeks to reach the LFO *after* being logged in at a station. Another 20 percent took between one and two weeks. The true figures for these groups was certainly higher, as evidence shows that other items were received at ticket stations earlier than the logged date. Given the regular availability of LIRR interoffice mail, we see no justification for such delays. LIRR is developing corporate policies and procedures to address these and other problems. (See pages 5-10.)

¹ This audit was conducted in accordance with Generally Accepted Government Auditing Standards. See Appendix A for a full discussion of the audit's objectives, scope and methodology.

Based on OIG's field test, many lost items given to LIRR personnel may never make it to the LFO at all. Auditors turned in 16 test articles to LIRR train and ticket station personnel. Only five of the items were received at the LFO, and two of these took more than a month to arrive. Of the items given to train crew members, only two of eleven were recovered. These results show a strong need for ongoing testing and strengthened controls over the handling of property in the field. Related to this, shipments of lost items to the LFO lacked a chain of custody. LIRR officials told us that this latter problem was being addressed. (See pages 4, 10-11, and 12.)

LIRR's forthcoming policies and procedures will also address the current lack of substantial guidance for the Transportation Department's trainmen and yard officials for dealing with lost property. In addition to the trainmen's poor performance on the field test, we found serious problems with the Transportation Department's documentation on lost items received at certain train yards. The records were so poor (and key records for Babylon Yard were not turned over at all) that we were unable to assess transfer times and could not confirm that all shipments had arrived at the LFO. (See pages 11 and 12-14.)

When items do reach the LFO, clerks carefully organize them for return to potential claimants and take steps to contact identifiable owners. However, weaknesses in the LFO's computer database and data entry practices add to the problems posed by the already deficient data received from the field. While the LFO should be credited for having computerized its database, the database has many errors and omissions. Thus, it does not allow for fully reliable computer searches for lost items or produce accurate program performance statistics. LIRR is working to develop a new database system for lost property. (See pages 14-18.)

LIRR's claimed return rate of 41 percent was inaccurate because it counted items eventually returned to the people who found the lost property (finders), as opposed to the owners.² Apart from this return rate, LIRR has not compiled performance statistics on basic program functions nor has it developed outcome measures. LIRR has stated that its new database will produce all required reports. (See pages 17-19.)

Another area of concern is communication with the public. LIRR personnel did not accurately state how long it might take lost items to reach the LFO. Staff, including a customer service manager, gave a range of answers, none of which acknowledged the types of delays that our analysis shows to be common. Further, LIRR had no printed or posted information about its lost property process and no coverage at all on the LIRR website. Such media could be used to inform the public of the lost and found service as well as to provide consumers with basic information, such as transit times for lost items, options for claiming items outside of Penn Station, and finder rights. LIRR is working to develop information materials and Internet applications. (See pages 6 and 15.)

The lost property process reflects a mix of public service and legal obligation. The New York State Personal Property Law (Personal Property Law) requires everyone to turn in lost property that they find or acquire (above specified values) and requires that transportation companies take steps to facilitate the return of such items. LIRR's current procedures, however, do not appear to be in strict compliance with statutory requirements. Although the law requires railroads to interact with appropriate state, city or local police in these matters, LIRR has not yet done so. While compliance with this requirement may well present certain practical difficulties, we recommend that LIRR take appropriate steps to ensure that it is in compliance with the law. (See pages 19-20.)

² New York State Property Law allows a finder of lost property to take possession of the item if it goes unclaimed by the rightful owner after specified holding periods. LIRR allows both the public and its own employees to make such claims.

The Personal Property Law and LIRR procedures allow finders to take possession of lost property that goes unclaimed after specified periods. LIRR, however, does not record finder claims separately from claims by owners in its database, or keep statistics on or listings of such claims. Additionally, LIRR allows both the public and its own employee finders to make such claims. However, if an employee of a public corporation finds lost property in the course of his/her official duties, the law states the "...public corporation shall be deemed to be the finder."³ LIRR does not have a written policy that articulates the basis for allowing individual employees to make finder claims in the same manner as customers. (See pages 17 and 19-20.)

LIRR has no overall corporate policies covering lost property and no senior manager is responsible for overseeing the process. In order to meet its legal obligations and its responsibility to customers, LIRR must recognize that these processes require coordination, testing, and accountability. An interdepartmental group began working on corporate policies during this audit and LIRR has now stated that the Passenger Services Department will take the lead on this effort. On a related point, LIRR also lacks process and outcome measures for lost property. These are needed to monitor and improve the program. (See page 18-19.)

The audit recommendations can be found on pages 20-21. The report includes LIRR's responses to recommendations contained in a draft of our report.

BACKGROUND

LIRR's lost property process has one centralized office at Penn Station and numerous collection points in the field. Ticket stations and some yards receive lost items and forward them to the LFO at Penn Station. LIRR train crews, ticket station agents and clerks, and personnel at shops and yards all find and/or accept lost items. LIRR personnel and the public also turn in lost items directly to the LFO and to other officials at Penn Station.

Departments Involved and Relevant Policies

Multiple LIRR departments play major roles in the lost property process. The Passenger Services Department manages the LFO and the ticket stations. Passenger Services has a Lost and Found Procedures Manual covering the operation of the LFO and a 2-page set of written instructions for ticket stations. The Transportation Department manages the train crews and operates Penn Station Customer Service, which accepts lost items especially when the LFO is closed. Both Transportation and the Maintenance of Equipment Department (MofE) have employees at shops and yards who find or handle lost property.

Transportation provided brief directives covering the handling of lost property by train crews and Penn Station Customer Service as its only written policies. A Transportation Superintendent also told us that Babylon and Ronkonkoma yards follow Passenger Services' ticket station procedures in processing lost items. Transportation did not have written procedures of its own covering these or other yards. MofE's Code of Conduct includes a brief statement requiring employees to turn in lost property. The Human Resources Department (HR) runs LIRR interoffice mail, which is used to convey shipments of lost items from stations and yards to the LFO. HR has no written procedures that specifically cover shipments of lost property. LIRR also has no overall corporate policies and procedures for handling lost property.

³ *Personal Property Law* § 256 (2).

Logging and Tracking Lost Articles

Either in the field or at Penn Station, lost articles are tagged with a numbered Lost Property Document (tag) that stays with the item throughout the lost property process (see Figure 1, page 5). The tag includes places to list basic information about the item and the finder. Some small and commonly received items such as keys, eyeglasses, and sunglasses do not have to be tagged. Lost items turned in outside of the LFO are also logged on “Shipment Inventory Lists” (shipment logs or logs)—see Figure 2, page 6. A shipment log listing each item is included when shipments of one or more lost articles are forwarded to the LFO. When the LFO receives the shipments, a clerk assures that the log matches the actual shipment contents and enters data about the tagged items in an Excel spreadsheet called the Control Register. The LFO began compiling this lost property database in February 2006. The database also includes those items that the LFO receives directly from individuals.

LOST PROPERTY FIELD TEST SHOWS SERIOUS LAPSES

In OIG’s lost property field test, auditors approached 16 LIRR field employees with a lost item to turn in. All 16—11 trainmen⁴ and 5 ticket station employees—readily accepted the test items for placement into the lost and found system, but only five of these articles eventually turned up at the LFO. Two of the five articles that did arrive took longer than a month to reach the LFO.

Eleven of the items were given to trainmen working on a train. Only two of these reached the LFO, and one of these took 60 days to arrive. Items that did not show up included a camera given to a trainman exiting a train at Penn Station, as well as jewelry, a computer software guide, and a leather coat, each given to a trainman on an eastbound train. Less inherently valuable items such as a set of keys also did not make it back. The results for ticket stations were better but not satisfactory. Three of the five items turned in to stations reached the LFO. However, one of these three items took 35 days to arrive. Another set of keys and a cell phone charger from this group of five were not returned.

The OIG test suggests that there may be large numbers of lost items that never reach Penn Station, even after being placed in the hands of LIRR personnel. The results for trainmen are particularly troubling. Ongoing testing could help to deter this serious risk. One option to consider is adding this testing responsibility to the work of the spotters who audit on-board revenue collections. While testing should be done undercover, it may also be helpful to publicize the existence of the testing program. Metro-North’s senior management official responsible for its lost property program told us that the railroad has a regular testing program, which he believes has contributed to increasing the numbers of lost items recovered.

We recommend that LIRR:

- ◆ Have key aspects of the lost property process tested periodically.
- ◆ Increase employee education on program responsibilities and processes and let personnel know that program will be tested and monitored.

LIRR commented that it will request that MTA Audit Services perform periodic tests of the system. LIRR stated that employee training would be revised on completion of new policies and procedures.

⁴ “Trainmen” is LIRR’s collective term for conductors, assistant conductors, and collectors.

HANDLING OF LOST ARTICLES OUTSIDE OF PENN STATION

The following sections cover the principle LIRR facilities, departments, and employees that deal with lost property outside of Penn Station. LIRR has an obligation to efficiently handle lost property and make it available for claim within a reasonable period. We evaluated the railroad’s procedures and performance to see if they provide timely and secure handling.

Ticket Stations

According to Passenger Services officials, all staffed ticket stations accept lost property from LIRR personnel and the public. Procedures on “Handling and Forwarding Lost and Found Articles” require station personnel to prepare the “sequentially numbered” tag (Figure 1), including entering “all related information on the form.”⁵ Apart from any items that may be claimed on site, the lost articles are to be transferred to the LFO in a locked canvas bag. The stations we visited all used the shipment logs (Figure 2) to list the items being shipped and kept their carbon copies on file along with the station copies of the tag. Station personnel we met with appeared to take lost and found responsibilities seriously, while acknowledging that lost property could not always be given priority. Stations also have some items claimed on site and have a variety of informal practices to contact identifiable owners for certain items such as wallets. Overall, we found that these locations have a basic system in place that serves as a conduit for lost property. This system has, however, significant shortcomings that undermine the efficiency of lost and found operations.

FIGURE 1 – Lost Property Document (“Tag”)

The form is titled "LONG ISLAND RAILROAD LOST PROPERTY DOCUMENT" and is labeled "STATION COPY" in red. It features the MTA logo in the top left corner. The form contains several fields for information: "ARTICLE DESCRIPTION", "ESTIMATED VALUE" (with checkboxes for "UNDER \$10.00", "OVER \$10.00", and "OVER \$100.00"), "DATE ARTICLE FOUND", "LOCATION/TRAIN #", "FINDER'S NAME (PRINT)", "ADDRESS OF FINDER (PRINT)", "TELEPHONE NUMBER OF FINDER", and "SIGNATURE & PRINTED NAME OF EMPLOYEE RECEIVING ARTICLE FROM FINDER". At the bottom, there is a field for "LOCATION ARTICLE WAS TURNED IN TO:" and a red stamp with the number "772336". A note at the bottom states: "NOTE: ALL CASH THAT IS TURNED IN MUST BE IMMEDIATELY DEPOSITED BY THE AGENT OR CLERK WHO RECEIVES IT." The form number "LPF 03 4/02" is printed in the bottom right corner.

⁵ The tags are supposed to have a unique number and come in sequentially numbered batches of 25.

FIGURE 2 – Shipment Inventory List (“Log”) – Abridged



Long Island Rail Road Passenger Services Department
Shipment Inventory List
Lost and Found Items

THE FOLLOWING ITEMS ARE INCLUDED IN THIS SHIPMENT TO THE JAMAICA LOST AND FOUND OFFICE

ITEM	PROPERTY TAG NO.	ITEM DESCRIPTION	DATE RECEIVED
1			
2			
3			
4			
23			
24			
25			

SENT BY:

SIGNATURE	TITLE	DATE
-----------	-------	------

Original: With Lost & Found Items
Copy: File

SAFETY IS EVERYONE'S BUSINESS

LF - 100
(5/88)

Station Shipping Delays

Station procedures do not address how promptly or frequently lost items should be forwarded to the LFO. Two Passenger Services officials—a branch line manager and a station agent from separate branches—told us in general terms that items should be shipped from their terminal stations (where the bulk of items from their branches are received) every week, but we found many exceptions to this. Some station personnel, including supervisory agents, also told us that they commonly wait to accumulate a certain number of items before shipping. This practice appears to contribute to more irregular shipments.

Other LIRR personnel stated widely varying figures as to the typical time it takes items to reach the LFO. The LFO clerks tell customers their lost articles could take 1-2 weeks to arrive, while the manager of LIRR Customer Service stated that his group tells customers, “It may take a few days.” During our field test inquiries, some employees happened to mention that items could arrive the next day, but did not explain that they could also take weeks to arrive. Based on the results of our review, none of these LIRR statements adequately suggests the range of possible delays.

Analysis of Shipping Delays Based on LIRR’s Recorded Data

We used the shipment logs and the LFO database to analyze the time it takes for lost items to reach the LFO after being logged in at ticket stations (transfer time). We analyzed whether items took longer than a week (i.e., eight days or more) to reach the LFO and if so, how much longer. We selected this standard based in part on the statements by Passenger Services officials about weekly shipments (noted above),

and on the availability of daily interoffice mail at major stations. It echoes the view of a supervisory agent who told us there was no logistical reason that any item should not be on the shelves at Penn Station within a week after station log-in. Our use of eight days as a basic indicator of delay in this audit is not meant to discourage LIRR from setting a tighter goal or timeline for transfer time.

We reviewed all 90 logs from ticket stations on file at the LFO for shipments received between June 1 and September 22, 2006. Analyzing 424 items with complete recorded dates, we calculated that at least 29 percent of the items took longer than a week to reach the LFO:⁶

- 9 percent of the items took more than two weeks (15 days or more) to reach the LFO
- Another 20 percent took more than one week and up to two weeks (between 8 and 14 days)

As shipments can include items collected over a period of days or weeks, the logs typically list items with a range of dates received. Of the 90 shipments reviewed, 52 included at least one item that had a transfer time of more than a week.

Common sense tells us that customers want to know as quickly as possible if their lost items have been found. Unpredictable transfer times could add much stress and uncertainty in the case of a loss. For LIRR, this may create more work and harm public relations, as frustrated customers have to make repeated inquiries over a period of weeks and do not know when to give up. Perhaps more important, other customers may give up too soon. The LFO managers told us that they would support having, as a *minimum* requirement, weekly shipments from all field collection points. An LIRR supervisory station agent told us that there was no reason that any lost item should take more than a week to reach the LFO, and she strongly supported making that the standard for the maximum transfer time. In comparison, Metro-North told us that it has regularly scheduled pick-up days (multiple times per week) for the main collection points in its lost property program.

We recommend that LIRR:

- ◆ Mandate, as a minimum requirement, weekly shipments of lost property from stations and yards on specified days to the Penn Station Lost and Found Office, to decrease delays and improve predictability of arrivals at Penn Station.
- ◆ Make more frequent shipments from sites that process larger numbers of articles, up to every business day as feasible.
- ◆ Develop a shipment schedule specifying the day(s) of the week for required shipments.

LIRR's response states that it will structure the pickup and mailing of recovered items to meet minimum shipment requirements. Passenger Service agents will be responsible for timely pickup/ mailing of lost articles at all stations and for pickups from most yards. In addition, in response to a recommendation on the provision of program information, LIRR stated that it will create media that provide passengers with accurate information about the range of possible transfer times.

⁶ These are likely conservative figures because, as covered in the next section, problems with LIRR's data result in the transfer time being understated for some items. These figures also do not cover any time that passed between when LIRR field personnel first handled the items and when they were turned into stations.

Problematic Data on Shipment Logs

The log is the only document that covers the contents of shipments from field collection points to the LFO. Therefore, deficiencies such as missing, inaccurate or incomplete dates seriously undercut the potential to monitor and improve the shipment process.

Station procedures do not mention the shipment log, but the Penn Station Terminal Manager, who oversees the LFO, told us that this is a standard document used by all stations. Although the stations have no written instructions for completing the logs, the required data is self-evident:

- For each item: Tag Number, Description, Date Received
- For each log: Sender's Signature and Title; Shipment Date

We found several types of problems with the way that station personnel had completed the logs. These included the following:

- Missing and incomplete dates received for individual items

Over 10 percent of the items from our study period could not be analyzed because of bad dates.⁷ For a few logs, the dates were missing for all of the listed items, and 20 percent of the logs had a least one item with an unusable date.

- Shipment logs unsigned and/or undated

Five logs were unsigned and had no shipment date. Also, the fact that the shipment logs in general are not numbered makes it more difficult to know if a log (or an entire shipment) may be missing.

- Dubious dates that likely understate transfer time

On some shipment logs, station personnel listed most or all of the items as having been received on the same day as the shipment date, apparently instead of on the date when the station first took custody. This practice could mask significant shipping delays. Therefore, the true numbers of delayed items are likely worse than the estimates reported in the previous section.

Example 1: Missing Data on Logs

Two logs for Port Washington Station provide examples of missing dates, a missing signature, as well as a long interval between shipments. Logs filed consecutively in September and October 2006 showed an apparent 18-day gap between shipments. The September log had dates received for individual items but was not signed or dated at bottom. The October log (as well as the attached tags) showed no dates received for any of the 12 listed items. In addition, the tag numbers on the later log were much lower than those on the earlier log. Station staff told us that all regular station personnel had been on leave during most of this period.

Example 2: Dubious Dates Received

A log from Flatbush Avenue station had 23 of 25 items listed as having been received on the shipment date. The previous shipment had occurred three weeks prior. The Flatbush agent confirmed that dates on the logs may be later than the actual dates received. Station personnel sometimes wait until shipment day to tag and date items.

⁷ The actual percentage of items with incomplete or missing dates on the log was 14 percent, but in some cases we had access to copies of the tags and some of these tags had dates. While these tag dates were useful for our analysis, the log is a freestanding document that should contain all required data.

These data problems may represent careless recordkeeping in the absence of clear procedures rather than any intent to deceive. As one possible cause, some station personnel told us that clerks do not always fill out the tag when an item is first received. In such cases, the employee who later fills out the shipment log may not know the actual date received. A station agent at Babylon told us she will generally put a question mark in such cases rather than guess at that date. Thus we found a combination of missing and questionable dates. This careless tagging and/or logging puts unreliable data into the system. This may make it more difficult to track some individual items and would certainly interfere with efforts to measure system performance.

Tagging-Related Data Problems

We found:

- Tags do not always indicate where items were originally found.

At Jamaica Station, staff told us that they do not note when an item was received from another LIRR facility, such as the nearby Morris Park yard. The tags clearly call for this data.⁸ Not recording such data would interfere with any effort to compile statistics for these facilities and assess their performance.

Example 3: Location Found not Listed

A Jamaica log showed 25 items received on one day, including 13 cell phones. The station agent speculated that these had arrived in bulk from Morris Park, but the tags for all of these items show no location found.

- Tag numbers are routinely used out of order.

Although the procedures refer to the tags as “sequentially numbered,” station staff told us that they made no effort to use their tags in numerical order, either within each batch of 25 tags or in selecting the next batch.⁹ This can only make it more difficult to know if a given item or an entire shipment may have misplaced. Also, while each tagged item may still have a unique number, that number will not indicate the date of receipt relative to other items from that station. The 18-day gap between shipment logs on file at Port Washington described above in Example 1 demonstrates this. The later shipment had lower tag numbers than the earlier one and there was no way to tell, based on the tag numbers, whether there could have been an interim shipment. Given that Station personnel had told us they generally made weekly shipments, we were concerned that a shipment log and/or an actual shipment could be missing. Not using the tags in number order is a more serious deficiency in view of the other data and recordkeeping problems found in this audit. Having each facility use its tag numbers sequentially should help add some order to the overall process. As noted, the irregular use of tag numbers made it more difficult to reconstruct what had happened with certain shipments, and we expect that the LIRR would have similar problems arise once it started to monitor shipments more closely.

Using tag numbers in order and noting the sources of items are logical procedures that could provide useful information with little additional effort. The Penn Station Terminal Manager agreed that these practices could be helpful to the management of this process.

⁸ Unlike the tag, the log has no specific place to note that an item was received from another site.

⁹ Stations generally receive multiple batches of 25 tags that are in consecutive numerical order within each batch and the focus here is limited to how each facility uses its own set of tags. We recognize that across LIRR, different facilities have sets of tag numbers with widely varying starting and ending numbers.

We recommend that LIRR require same-day tagging of all newly found or received lost property by all sites that receive and tag lost property. LIRR should ensure that required data, such as location found are noted. Facilities should use property tags in number order and sequentially number their shipment inventory logs.

We also recommend that LIRR's forthcoming corporate policies and procedures address precise requirements for the tagging, logging, and shipment of lost property.

LIRR responded: "All item turned in at stations will be tagged immediately with all required information." LIRR also agreed with our recommendation for corporate policies and stated that facilities outside of stations will use drop boxes in a procedure similar to Metro-North's.

Station Forwarding Procedures: Inconsistencies and Avoidable Risk

Current station procedures state: "Lost and found articles must be forwarded to Penn Station Lost & Found in a locked canvas bag. Canvas bags for forwarding lost and found articles are presently located at the line station agency¹⁰ ticket offices. Agents must transport any lost and found articles turned in at the stations under their jurisdiction to the agency for forwarding to the [LFO]."

In fact, Passenger Services takes a more mixed approach to forwarding lost items:

- Some stations have their own marked canvas bags and receive daily pickups from HR mail couriers.
- The explicitly stated requirement to use only locked canvas bags is not always observed.
- When the canvas bags are used, they are sealed with plastic ties, not metal locks.
- Other stations do not have canvas bags but ship lost property in packages of their own creation.

The use of LIRR internal registered mail is also inconsistent. HR officials told us that stations ship lost property to the LFO exclusively via internal registered mail, which involves the use of numbered packages and signature books. The station procedures do not refer to registered mail, and we later learned that this practice was not universal. For example, at Port Washington, although a numbered clip is reportedly placed on the canvas bag and the number noted on the shipment log, the HR mail courier does not sign for it at pickup. More important, the LFO told us that it never signs for the receipt of shipments. Therefore, no complete chain of custody exists even when a station does use internal registered mail.¹¹

The current system poses the clear risk that a shipment could disappear in route to the LFO and neither sender nor receiver would have any routine way of becoming aware of this. Our check of all shipment logs on file at Port Washington, Jamaica, and Babylon stations found no missing shipments for the period of June 1 to September 22, 2006.¹² However, as will be discussed below, we were not able to confirm the arrival of all shipments from the two train yards we tested. Although we do not know the cause, it is also the case that only three of five OIG test items given to station clerks turned up at the LFO. To enhance security and avoid confusion, LIRR should update and clarify its shipping procedures, including making signed registered mail mandatory. As for the stations now shipping without canvas bags, at the very least,

¹⁰ The Penn Station Terminal Manager explained that "agency" refers to the ticket office where the supervising agent has her/his office.

¹¹ The Penn Station Terminal Manager told us that this is standard practice at LIRR, i.e., internal registered mail is a sign-off process between the sender and HR and does not require a signature from the recipient.

¹² This is based on the fact that we found at least some items from each log on the LFO database.

procedures should correspond to actual practices and vice-versa. If there is a risk associated with not using canvas bags, then LIRR should address this.

We recommend that LIRR use internal registered mail for all lost property shipments and require sign-off at pickup and upon receipt at the Lost and Found Office.

LIRR responded that it would use internal registered mail including all sign-offs to forward lost property.

LIRR Trainmen

LIRR representatives described trainmen as principal players in the lost property process. “Trainmen” refers collectively to conductors, assistant conductors, and collectors. Although no statistics are available, trainmen routinely find and accept items on trains and turn them in at stations and yards, as well as directly to the Penn Station LFO and stationmasters. Due to the trainmen’s key role in the process and poor showing on our field test, it is important to review the environment and manner in which they handle lost property.

The Lost Property Process for Train Crews

In general discussions of the process, Transportation officials told us that the requirement to handle and turn in lost property was unequivocal. Transportation Special Instruction 1801 states: “Lost articles...must immediately be turned over” to designated personnel at ticket stations, the LFO, or to stationmasters at Jamaica and Penn Station. However, this same Instruction acknowledges that trainmen are not always able to submit items before the end of their runs. In such cases, the Instruction states no clear goal or timeline for submission. The Instruction also does not cover the fact that trainmen can turn items in at certain train yards (covered in the next section of this report).

It is important to highlight that Transportation procedures and practices essentially leave trainmen on their own to turn in items that come into their possession. Transportation has no requirements that a trainman obtaining lost property notify any particular party. For example a collector does not have to notify the conductor or other crew members. Transportation officials told us trainmen would not always have time during a given run to drop off lost property. In addition, no formal options exist for a trainman to pass an item to another crew member or to leave an item in a secure place on the train after completing his/her run.¹³ In some cases, train crews can contact supervision at Penn or Jamaica stations to meet the train and pick up lost property, but this is not a routine practice.

Transportation policy requires trainmen to keep lost articles overnight when they have no place to turn them in. Two transportation superintendents told us that this situation would not be unusual for trainmen whose runs terminate at outlying stations. These superintendents told us that for the first time an interdepartmental LIRR group had begun meeting to discuss lost property issues (after the start of our audit). They hoped that one outcome would be that MofE would agree to take responsibility for accepting lost items from train crews at yards where no transportation supervisor is available.

Delays Prior to Submitting Items

Trainmen do not document lost items prior to turning them in at stations or yards. A station agent told us that Transportation personnel can be slow to turn in lost items. He said they sometimes hold onto items

¹³ Storage is feasible during a given run, but all compartments on trains can be accessed by LIRR’s universal key, so items left, for example, overnight on a train after a run would not be secure.

for a while and then do not remember precisely when the items were found. Our field test provided an extreme example of such delay. An auditor gave a Sony TV-Radio-Weather Walkman to a trainman as a train approached Long Island City. The employee stated that he would turn the item in to Lost and Found. The item was not logged at a ticket station until 43 days later. It took another 17 days for the item to reach the LFO. The only other test item returned by a trainman, a purse, was logged in the day after receipt, but then took another 13 days to reach the LFO.

Although we can reconstruct the transfer dates for the two items returned in our field test, Transportation's own process provides no documentation of how long its employees hold lost articles prior to submission for tagging. At a minimum, LIRR policies should require timely submissions by all departments and provide a means for testing compliance by trainmen and others.

We recommend that LIRR develop comprehensive corporate policies and procedures for lost property. Among other matters, these should address:

- ◆ Timelines for trainmen and other non-station employees to turn in items
- ◆ Chains of custody and interdepartmental handoffs

LIRR responded that it will develop corporate policies and procedures that conform to our recommendations.

Shops and Yards

Transportation and MofE employees working at LIRR shops and yards find and receive passengers' lost property. Trainmen whose runs end in certain yards can also turn in items at some of these facilities. We were concerned to find no significant written procedures covering the handling of lost articles at shops and yards as well as little or no documentation on past articles handled (i.e., few completely filled out logs or tags). As a result, little data about articles handled at these sites had reached the LFO to be verified and entered in its database. LIRR, therefore, has no valid figures on the numbers of items received from these sites and no systematic way to verify that these facilities are handling items promptly and securely.

Lost and Found Process at Shops and Yards

Transportation and MofE officials report a variety of approaches to handling lost property. After checking with specific facilities, senior MofE managers told us that the typical practice was for MofE's car appearance maintainers to turn over lost items to supervisors, who in turn have the items submitted to nearby ticket stations for tagging. For example, items found at Morris Park Yard are submitted to the ticket station at Jamaica. Items found at West Side Yard are sent by a Transportation courier to Penn Station. As noted earlier in discussing Morris Park, the tags for items found at these yards generally do not state the location found.

Two east end yards, Babylon and Ronkonkoma, receive and process lost property and ship it directly to the LFO. These yards have locked drop boxes where both MofE and Transportation employees can leave lost property. In addition, Babylon and Ronkonkoma have yardmasters who can also receive lost property. Transportation managers at Babylon and Ronkonkoma yards are responsible for having all of these lost items shipped to the LFO.

The Transportation Superintendent-East End-Operations (East End Superintendent) told us that these yards follow the same procedures as ticket stations in processing lost property. He stated that they use the

same tags and shipment logs and also use marked and sealed canvas bags and interoffice mail. They do not use internal registered mail. He said that shipments would generally take place every business day, though there would be some exceptions due to light loads or the absence of their mail courier. The Penn Station Terminal Manager also told us that these yards should use the tags and logs, but he was not sure that they were consistently doing so.

Transportation Department Procedures at Ronkonkoma and Babylon

In the LFO files, we found no logs from Babylon Yard and only eight from Ronkonkoma Yard for the period of June 1 through September 22, 2006. None of the latter had tag numbers listed. This raised questions about whether these yards were truly following stations procedures and whether they were sending frequent and even daily shipments as reported.

Ronkonkoma Yard

Documents received from Ronkonkoma Yard include 13 shipment logs from June 1 to September 22, 2006. None of these Ronkonkoma logs has tag numbers. However, individual items do have substantive descriptions and dates received. This made it possible to search for the shipments and items in the LFO records. However, we only found evidence to confirm that nine of the 13 shipments had reached the LFO. We do not know if this could be due to problems with LFO recordkeeping or interoffice mail, but this finding raises concerns about the handling of lost property at these east end yards. Finally, all of the “date[s] received” on the Ronkonkoma logs were the same as the sent dates for the shipments. This appears to represent another example of unreliable dates similar to those found on some ticket station logs. Such dating makes it impossible to even estimate the transfer times for these items. Ronkonkoma Yard also sent seven individual tags listing lost items with no accompanying log. The transportation manager explained that his approach is to only tag items that do not fit in the canvas shipping bags. Thus, the logs have no tag numbers and the tagged items are not listed on any shipping log.

Babylon Yard

We visited Babylon Yard on December 27, 2006 and met with the East End Superintendent and two transportation managers. In response to our prior request to review all logs dated June 1, 2006 or later, the Superintendent showed us two binders containing multiple shipment logs.¹⁴ We conducted an initial review of the logs during the meeting. In looking at these logs, which included many from June through September 2006, we did not see any dated prior to late September 2006 that had tag numbers listed (or even attached copies of tags). We noted that the logs had very cursory item descriptions and no date received for many individual items. When asked why some logs did not have tag numbers, the superintendent stated that this might have occurred on a busy day or because the location ran out of tags or tags could not be located. We also noted that for items dated in late September (after we announced our audit) tag numbers were listed on the logs.

We requested copies of all shipment logs from June 1, 2006 through the end of the year for both Babylon and Ronkonkoma yards. The Superintendent agreed to forward these within one week, but no copies for Babylon for the audit period of analysis (June 1 through September 22, 2006) were ever received. Without these LIRR log records from Babylon, we could not determine whether the items we saw listed were shipped without the logs or whether the shipments themselves ever made it to the LFO.

¹⁴ As noted in Appendix A, the audit methodology was to review all logs between June 1 and September 22, 2006, a period immediately prior to the announcement of the audit.

Conclusions on Ronkonkoma and Babylon Yards

Our observations suggest that the Transportation officials at these two yards were not following the standard ticket stations procedures prior to the announcement of this audit, contrary to the statements of the East End Superintendent. For example, in both the LFO and the yard files, we did not find a single example of a shipment log from these yards (for our study period) that listed an item's tag number. We could not confirm that all Ronkonkoma Yard shipments reached the LFO. As we received no copies of log records for Babylon Yard for the period selected for this audit, we could not test for the receipt of the shipments. To ensure the integrity of the lost property process, LIRR must promptly develop both written corporate procedures that apply to all sites where lost property is received and detailed document retention rules, all with clear accountability.

LIRR responded that its forthcoming corporate policies and procedures will address the handling of property found or deposited at all facilities.

THE PENN STATION LOST AND FOUND OFFICE

The Penn Station Lost and Found Office is located near the LIRR passenger waiting room in Penn Station and is open weekdays from 7:20 a.m. to 7:20 p.m. The LFO began opening on weekends on March 24, 2007. The LFO appears quite accessible in both location and hours. In its weekday hours, the LFO is staffed by two clerks who work overlapping shifts. The clerks deal with myriad in-person and telephone inquiries, while also processing incoming lost property and handling related administrative tasks. The Penn Station terminal managers supervise the LFO and sometimes help with specific tasks.

Customer Service Issues

We observed operations at the LFO at different times of day. We found a consistently well organized facility and hard-working staff who take their responsibilities seriously. Most impressive is the careful organization of lost articles by type and month of arrival. In response to queries, the clerks were able to find various categories of items quickly, and we observed several instances of customers being promptly reunited with lost items. The LFO also appears to make substantial efforts to contact owners, searching for names and phone numbers and mailing post cards to those with identifiable addresses. In our audit work, all LFO staff were helpful in providing records and information, knowledgeable about the lost property process, and open to ideas for improvements while offering their own. The LFO's copies of shipment logs and tags were filed in an orderly manner and were readily accessible to auditors, as was its computer database of lost property. However, two customer service areas where we found need for improvement are:

- **Telephone Service**

In our field test, we called the LFO and found it was sometimes difficult to reach a live person. While this is understandable given the limited staff, the LFO answering machine message was also misleading because it stated that customers will receive a callback. The LFO personnel acknowledged that they did not consistently return calls. LFO managers told us that the phone and answering machine in place when we began the audit was a simple store-bought system with a capacity of about ten messages. Once this capacity was used up, the message no longer played. Since we raised this concern, the LFO has added LIRR voicemail capability with greater storage capacity and has changed the message to state that calls will be returned if the office has the item in question. The new message also provides some basic information about LFO location and hours.

We recommend that LIRR periodically review phone access and phone services for Lost and Found customers to assure that these are commensurate with customer needs and consider use of recorded messages to inform callers about various aspects of the lost and found process.

LIRR responded that it will review the phone access and service needs of customers and revise recorded messages. In addition, the current LFO number will be redirected to LIRR's Travel Information Center when lost property Internet applications become on-line.

- **Customer and Program Information**

We found a lack of posted and printed information for customers. The LFO has no such material describing the lost property process. The LFO has no program-related signs or posters in customer waiting area, and it has no brochures or other handouts. We also found no information on the LIRR internet site. An LIRR official responsible for the *Keeping Track* news flyers for passengers told us in March 2007 that this publication has not addressed Lost & Found for at least the last six years.¹⁵ All of this means that there are constant missed opportunities to assist and inform customers.

We recommend that LIRR develop and provide accurate lost and found information for customers using available media such as handouts, informative posters, articles in "Keeping Track," and the LIRR website. These materials should cover the services that can be expected, including the range of time it may take lost items to reach the Penn Station Lost and Found Office, as well as finder rights.

LIRR responded that Passenger Services will work with Public Affairs to develop media that provide accurate program information. LIRR also indicated that it will develop Internet-based applications for lost and found.

Such materials might be helpful to both customers and employees who deal with lost property questions. As described in this report, lost property can linger in the field for extended periods and may require multiple interdepartmental handoffs before reaching the LFO. Thus, customers should be informed of the range of possible delays and should know that it may be possible to claim items at facilities outside of Penn Station. Additionally, finders of lost property have rights that could be explained. For these reasons, and to assure consistently available information, we believe that LIRR should develop informative materials that cover LFO operations, claims, field facilities, likely waiting times, finders' rights, and other matters.

Lost Property Data Management

In early 2006, the LFO took it upon itself to begin compiling a computer database of lost property. The LFO told us it had previously requested outside programming assistance to develop a database, but no such help was available. The LFO now tries to record all transactions involving tagged lost property in a series of monthly Excel spreadsheets, called the "Lost and Found Control Register" (the database). In addition to date received, sending location, and item description, the database is used to records claims, donations and disposals. The database is used to search for some items such as wallets, and it also provides aggregate statistics on the number of items received and claimed. The LFO processes shipments by reconciling the shipment log with the bag contents and then entering the log data in the database. We have already established that log and tag data from the field can be unreliable or incomplete. The LFO basically accepts what it receives and works with it in a practical way. For example, when items come in

¹⁵ After we raised this point, the May 2007 *Keeping Track* did include a paragraph about the LFO.

without tags, the clerk will simply tag them using the LFO's own set of tags. The goal is to give each item a unique number, enter it in the database, and put it in its proper place on the shelves. The database starts with February 2006 and we reviewed the listings through September 22, 2006.

Database Problems

Although it is to the LFO's credit that it has a database at all, we found some serious problems with the office's data management practices, which would hamper efforts to monitor and improve operations. These include basic data entry issues and broader concerns about the quality and reliability of specific categories of data and statistics:

- **Database Design Shortcomings Contribute to Data Entry Problems**

In a well-designed database, the data items (fields) would have controls to ensure that data such as tag numbers and dates are entered in the proper format. Other controls can standardize text entries and restrict them to useful categories. Such data controls help to prevent input errors and identify missing information. We found that the LFO database does not have such controls nor does it have written data entry procedures. As a result, we found many errors and inconsistencies in the data. Many tag numbers and dates were not the correct format or length, and others were blank. We also found many examples of multiple names being used for the same station. This unnecessarily complicates both searching and producing statistics.

Under article descriptions, we found numerous examples of inconsistent descriptions for the same type of item. Due to these many variations, in searching for a lost article for which the tag number is unknown, it appears that employees could not be certain whether an item is in the lost property database unless every possible abbreviation, synonym, or spelling variation for that item were searched.

- **Duplicate and Invalid Property Tag Numbers**

As the tag number stays with the item throughout the lost property process, accuracy is critical. The tag number is supposed to be a unique six digit number. We found numerous cases of tag numbers in the database that did not meet these basic conditions and we found over 200 examples of duplicate numbers, comprising over 400 item entries.

Duplicate tag numbers have multiple causes. The LFO told us it had inadvertently ordered a set of tags with numbers that overlap with a previously used series. By the time it recognized the error, some of these tags had been distributed to the field. However, other duplicates appeared to be due to the same item being entered twice and other data entry errors. For example, we reviewed an item received from Port Washington that was entered twice with two different dates. One of the entries showed the item as disposed while the other showed it to be a current item. In a system built around unique tag numbers, it is essential to prevent such errors in the future.

- **Items Missing from Database**

The database is supposed to be a comprehensive listing of tagged lost property. We found, however, examples of items that the LFO clerk had checked off on shipment logs, but which could not be found in the database. A particularly bad example was a shipment from Ronkonkoma Yard of 12 items without tag numbers. The LFO clerk added his own tag numbers and filed the log. However, we found none of these items on the database. Personnel speculated that data might have been lost in a computer crash. They explained that LFO has an old computer

that has sometimes crashed during the estimated 15 minutes it takes to save the database and that data has been lost from time to time. We question whether it is appropriate for the LFO to be relying on such a fragile database and computer equipment. Regardless, it is clearly necessary to check for data losses after a crash.

- **Misleading Data on Sending Facilities**

The data regarding sending facility are critical for getting a better idea of the sources of items and possibly underperforming sites. However, when untagged items are received, the LFO's senior clerk told us he typically lists the LFO and not the yard or other sending facility as the source. This practice wipes out any accessible record that the articles were shipped from another facility. It puts more inaccurate data in the system and makes it more difficult to search the database for shipments from a given site. Clear written procedures to guide the clerks could help eliminate such practices.¹⁶

- **LFO Database Use for Performance Measurement**

The numbers of lost items handled and claimed is presumably a basic performance measure for a lost and found operation. Reliable figures could help with program planning and evaluation. At the outset of this audit, the LFO told us that it had handled over 11,000 tagged items in 2004 and 2005, with a claim rate for each year of 41 percent. Untagged items such as keys are not in the database and are not included in these figures. We found that this claims statistic does not reflect actual returns to owners. The LFO's claims data do not distinguish between claims by owners and by finders. All finder claims, even those by LIRR employees, are included in the percentage of successful returns. Thus, this returns statistic is not a valid measure of the success rate in returning lost property to owners.

In fact, the LFO has no overall data on the numbers or types of finder claims (i.e., employee, non-employee).¹⁷ The Penn Station Terminal Manager acknowledged that the LFO has no straightforward way to reconstruct how many of its returns are actually to property owners versus property finders. Two LFO personnel roughly estimated that 10 percent of all returns go to finders. They both have observed that employees, mainly trainmen, make most of the finder claims. The Penn Station Terminal Manager told us that the LFO is looking into tracking finder claims separately in the future.

In addition, the LFO's overall number of items handled is at best a rough figure. The accuracy is presumably affected by the duplicate tag numbers and missing data described above. We also question whether it makes sense to completely exclude untagged items from all data tracking and program statistics.

Conclusions on Data Management

The LFO's data management practices do not supply reliable data for searching for individual items. In addition, the resulting data are particularly unsuitable for producing statistics to assess the functioning of

¹⁶ As noted earlier, ticket stations sometimes process and transship items originally collected at other sites. The original location is supposed to be noted on the tags. In order to track the sources of lost property, it would be ideal to have both sites recorded in the database.

¹⁷ The LFO has copies of the tags that should allow it to determine whether a finder claim was made in a specific case. However, these documents do not necessarily indicate whether the claimant was an employee.

the lost property process. In connection with this, we learned that Metro-North has a lost property database with data entry controls and report capabilities. Metro-North told us that the database and the reports that it can generate have been helpful both in dealing with specific customer queries and in overall program management. The railroad has, for example, tracked the trends in items handled and claims over time. While we did not assess Metro-North's system, it could offer valuable suggestions to LIRR as it considers changes to its current processes.

LIRR officials told us that they had begun working on incorporating a version of Metro-North's database into their lost property program. The OIG's limited review of Metro-North's database suggests that such a database could help address the data management problems covered above. However, we also noted that Metro-North described its database as a complex undertaking that was implemented in stages. Metro-North described security concerns to us and stated that it had received substantial computer programming support.

We recommend that LIRR:

- ◆ Enhance or replace the lost property database to provide standard database controls and report functions and add additional data items covering field data such as date received and location found.
- ◆ Develop written guidelines for database data entry to ensure that sources and flows of lost items are adequately documented.

LIRR responded that it will create a lost property database based on Metro-North's and that this would provide all required fields and reports.

MANAGEMENT TOOLS: CORPORATE POLICIES AND PROGRAM DATA ARE NEEDED

LIRR has no corporate policies covering the lost property process and we found no LIRR document of any kind that covers interdepartmental aspects of handling lost property. LIRR also does not have a senior manager responsible for overseeing the entire process. This report has reviewed the main departments involved and has covered issues with current policies and practices. A railroad-wide corporate policy that designates overall managerial responsibility and specific accountability for all process components is essential to integrate the actions of these diverse groups and bring about a more consistent and reliable approach to handling lost property. As the department responsible for the Lost and Found Office, Passenger Services should arguably be taking the lead in pushing for a corporate policy, with the involvement of Transportation, MofE, and Human Resources. The resulting policy should designate one senior LIRR manager to be ultimately responsible for the lost property process. After the start of this audit, an LIRR interdepartmental group began meeting about lost property issues. That group is working on a set of corporate policies to cover lost property, but we have been told that this effort is still in the early stages.

LIRR responded that it will develop corporate policies and procedures that conform to our recommendations. The response charges a Passenger Services official with responsibility for drafting these policies and for general supervision of the operation. We believe that it is essential that this official have the means to ensure that other LIRR departments are fulfilling their responsibilities.

The LFO does not produce any type of periodic or annual report on the program that could be used to track basic indicators and to monitor whether different parties are doing their jobs. Such reports could cover the number of items processed by major categories, successful claims, finders' claims, sources of items and transfer times. Changes in the numbers over time could demonstrate progress and/or raise

questions and help pinpoint problem areas. Given the current problems with data received from the field and with data entry, we could not generate reliable figures from the database on how many shipments and items had been received from various LIRR facilities. LIRR needs such performance data to monitor and improve the lost property process over time. The LFO managers acknowledged that such data could help find and address problem areas.

As noted, LIRR responded that its new database will provide all required reports. However, it is important that LIRR also produce analytical reports that assess program performance and that LIRR use reports and data to follow-up on possible problem areas.

LOST PROPERTY LEGAL FRAMEWORK

The Personal Property Law¹⁸ requires certain transportation companies, including LIRR, that find or acquire lost property to contact identifiable owners and to report all unclaimed items to the police within 10 days. The law applies to items valued at \$20 or more.¹⁹ While individuals and most organizations must physically deposit the items with the police within ten days, the law gives transportation companies such as railroads up to 60 days to do this. However, companies must still report a listing of items within ten days, and these items must be available for inspection by the police until they are deposited. LIRR and Metro-North Railroad are covered by these provisions.²⁰ The Personal Property Law gives jurisdiction over lost property to the state, city or local police as appropriate. The LFO manager stated that no police force in LIRR's service area has a regular role in its lost property program. The LFO does not submit the ten-day reports to police and does not turn over property within 60 days, or at any later point. Instead, the LFO manages the lost property on its own and follows the same retention periods that the law mandates for the police.²¹

We recognize that strict compliance with all relevant provisions of the Personal Property Law may well be impractical. A centrally located lost and found operation within LIRR provides a useful and important public service which we believe is in the best interest of the riding public. Complying with the strict letter of the current law would likely result in a decline in service to LIRR customers. Other similarly situated entities such as the New York State Office of Parks, Recreation and Historic Preservation, the State University of New York, and the New York State Office of General Services were faced with this dilemma and Article 7-B of the Personal Property Law was amended to allow their own police departments to administer lost property programs on their facilities.²² In our view, LIRR is perfectly positioned and equipped to fulfill this role, and continuing to do so would provide the riding public with a central location from which to recover its property. Therefore, we recommend that LIRR take appropriate administrative action in coordination with the Metropolitan Transportation Authority, the Metropolitan Transportation Authority Police Department and/or the New York City Police Department to come into compliance with the law, or seek an amendment to the Personal Property Law.

LIRR stated that it would work to assure compliance with the Personal Property Law.

¹⁸ See generally, *Personal Property Law* §§ 252 and 256.

¹⁹ For financial instruments, the threshold is \$10.

²⁰ NYC Transit is not a railroad and the Property Law does not classify it as a transportation company that can hold property for 60 days. Thus, NYC Transit has only ten days to turn items over to the police. NYC Transit's handling of this matter is addressed in OIG audit report 2007-09L.

²¹ E.g., the law requires three months retention for items valued at less than \$100 and six months for items \$100 and greater but less than \$500 in value. At the end of these periods, LIRR makes items available for claims by finders if known, or otherwise generally either donates or disposes of the items.

²² Personal Property Law §252 (1).

Finder Claims

The Personal Property Law and LIRR Passenger Services procedures allow people who find and turn in lost property to take possession of that lost property if it goes unclaimed by the rightful owner after specified holding periods. LIRR allows both the public and its own employees to make such claims. The Personal Property Law states that if the finder is an officer or employee of the State or of a public corporation and finds lost property in the course of his official duty, the “state or public corporation shall be deemed to be the finder.” As noted above, the LFO does not record finder claims separately on its database and no statistics on or listings of such claims are available. The LFO told us that employees may only make such claims when they are the original finders. LIRR does not publicize finder rights to the general public, but it honors legitimate finder claims by all parties. LIRR has, however, no written policy specifically covering employee finder claims. In developing such a policy, LIRR should address whether the current practice of allowing employees to claim lost property in the same manner as customers is in accordance with the Personal Property Law. We also recommend that LIRR record finder claims in the lost property database separately from the recording of claims by owners, and distinguish any claims by employees from those by non-employees.

LIRR stated that its legal counsel will address LIRR’s finder claims policy for employees consistent with other MTA Agencies. LIRR also indicated that its forthcoming database will capture all needed data on finder’s claims.

LIST OF ALL RECOMMENDATIONS CONTAINED IN REPORT

To improve its lost property process, LIRR should:

1. Develop Corporate Policies and Procedures for lost property that includes written procedures for all sites, departments, and personnel involved in the lost property process (e.g., stations, shops, yards, Passenger Services, Transportation, MofE, HR, and the Lost and Found Office). The policy should address:
 - Timelines for trainmen and other non-station employees to turn in items
 - Chains of custody and interdepartmental handoffs
 - Precise requirements for the tagging, logging, and shipment of lost property
 - Data management and record retention
 - Finder claims

The Policy should address accountability for each aspect of the lost property process and designate a senior manager responsible for overseeing the entire process. LIRR should establish a timeline for finishing and adopting these Corporate Policies and Procedures.
2. Require same-day tagging of all newly found or received lost property by all sites that receive and tag lost property. Ensure that required data, such as location found, is noted. Facilities should use property tags in number order and sequentially number their shipment inventory logs.
3. Mandate, as a minimum requirement, weekly shipments of lost property from stations and yards on specified days to the Penn Station Lost and Found Office, to decrease delays and improve predictability of arrivals at Penn Station. Have more frequent shipments from sites that process larger numbers of articles, up to every business day as feasible. Develop a shipment schedule specifying the day(s) of week for required shipments.

4. Use internal registered mail for all lost property shipments and require sign-off at pickup and upon receipt at the Lost and Found Office.
5. Periodically review phone access and phone services for Lost and Found customers to assure that these are commensurate with need. Consider use of recorded messages to inform callers about various aspects of the lost and found process.
6. Develop and provide accurate lost and found information for customers using available media such as handouts, informative posters, articles in “Keeping Track,” and the LIRR website. Cover the services that can be expected, including the range of time it may take lost items to reach the Penn Station Lost and Found Office, as well as finder rights.
7. Enhance or replace the lost property database to provide standard database controls and report functions and add additional data items covering field data such as date received and location found.
8. Develop written guidelines for database data entry to ensure that sources and flows of lost items are adequately documented.
9. Record finder claims in the lost property database separately from the recording of claims by owners, and distinguish finder claims by employees from those by non-employees.
10. Develop process and outcome measures and produce periodic reports on program performance, e.g., :
 - Numbers and categories of items retrieved from various sources
 - The transfer times to Penn Station
 - Claimed items / finder claims
 - Comparisons to previous periods.Use these measures to follow-up on significant changes and possible problem areas.
11. Have key aspects of the lost property process tested periodically.
12. Increase employee education on program responsibilities and processes and let personnel know that program will be tested and monitored.
13. Take appropriate steps, including possibly seeking, if necessary, an amendment to the current Personal Property Law, in order to ensure that it is in compliance with the law.
14. Develop a finder claims policy that addresses the State law that designates the Railroad as the finder when an employee takes possession of lost property in the course of duty.

The major contributors to this audit were Elizabeth Keating, Peter Kahn, Navon Hirshaut, and Marsha Desormeaux

APPENDIX A

SCOPE, OBJECTIVES, AND METHODOLOGY

The audit scope was the LIRR lost property function in 2006. This report covers the handling, tracking, and return of lost property by stations, train crews, and shops/yards, and the functioning of the Penn Station LFO, with an emphasis on customer service and process management. The overall objective is to assess whether LIRR has an efficient and reliable system for managing lost items found, received throughout its system and making them available for return to owners. Specifically, we asked:

- Are LIRR's procedures for tagging, logging, and shipping lost property clear and adequate, and are the procedures generally followed?
- Does the program make recovered items available for claim in a timely and otherwise accessible manner?
- Does LIRR use readily available means of communication to provide basic information on the lost property process to the public?
- Does the Lost and Found Office maintain valid and adequate data on lost property transactions?
- Are there legal issues affecting the handling of lost property that require attention?

We met with managers and employees of the various LIRR departments responsible for the function. We visited the LFO on several occasions, observed operations, and spoke with its clerks and their managers. We conducted a field test and visited ticket stations and a train yard to assess logging and shipment practices. For background information, we visited Metro-North Railroad's lost property program.

We reviewed the New York State Personal Property Law and LIRR lost property procedures. We analyzed the LFO's database of lost property for the period of February 1 through September 22, 2006. We examined selected lost property shipment logs from 2006 on file at the LFO and copies of logs on file at selected stations and yards. We selected all logs from stations and yards received at the LFO between June 1 and September 22, 2006 and reviewed the related entries in the LFO database for the same period. While most LIRR representatives were cooperative and readily provided requested documentation, one exception posed an impairment to this audit. As discussed in the report, we were unable to obtain copies of shipment logs from Babylon Yard for the sample period. This prevented us from testing whether shipments from this Yard had reached the LFO.