



Barry L. Kluger
Inspector General

Office of the Inspector General
Metropolitan Transportation Authority
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New York, New York 10121
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January 19, 2017

Ms. Veronique Hakim
President
MTA New York City Transit
2 Broadway, 30th Floor
New York, N Y 10004

**Re: Employee Misconduct in
EasyPay MetroCard
Program
MTA/OIG #2017-03**

Dear Ms. Hakim:

The Office of the MTA Inspector General (OIG) has completed an investigation into an allegation that Associate Staff Analyst Imelda Vanek (Vanek), New York City Transit (NYC Transit) Corporate Communications, Mail & Ride Program, took, without authorization, EasyPay MetroCards. We substantiated the allegation and recommend that NYC Transit discipline Vanek as it deems appropriate. We further recommend that NYC Transit continue to review the procedures currently in place in the Mail & Ride Department of Corporate Communications and implement procedures to ensure the security of returned MetroCards.¹

INVESTIGATION

NYC Transit's EasyPay MetroCard program provides a mechanism for customers to automatically refill MetroCards using a credit or debit card account, rather than having to refill them at subway stations. Ms. Vanek's job was to enter customer information into a computer system in her department and mail out to customers, renewal and newly issued cards.² Approximately 800 MetroCards are issued each week by Vanek's department under this program.

Each MetroCard has an identifying batch number and customer number on it, as well as an expiration date. Each customer's credit or debit card was charged approximately \$160 to cover fare costs before a new or renewal MetroCard was mailed out by Vanek. The credit or debit card

¹ The terms "EasyPay MetroCard" and "MetroCard" are used interchangeably.

² OIG has been informed that Vanek is currently on paid leave of absence as a result of this investigation.

transactions used to pay the cost of fares were handled by an independent contractor and Vanek did not have access to customers' financial information.

Vanek's duties also included attempting to obtain valid delivery information for and re-mailing MetroCards that were returned to her department by the United States Postal Service as undeliverable. Because the returned MetroCards had not been used, they retained their original \$160 value throughout this process unless action was taken to cancel or destroy them.³ Vanek was required to cancel and shred returned MetroCards for which she was unable to secure mail delivery to the customer.

During an OIG interview Vanek admitted she took, without authorization, some returned MetroCards and kept them in her home in Kingston, New York. OIG recovered approximately 876 MetroCards from Vanek's home, the vast majority of which were still in their original unopened envelopes which had been designated as undeliverable by the Postal Service; however, some of the recovered MetroCards had been removed from their envelopes. All of the MetroCards retrieved from Vanek's possession had been issued between 2010 and 2013 and were expired when retrieved.

Vanek also gave OIG staff written statements. In one written statement, she wrote that she took the expired MetroCards to sew a dress or a handbag out of them. In a second written statement, she repeated her claim of intending to make a dress from the MetroCards but added that she became overwhelmed with the volume of returned cards, was not able to process them for delivery to customers, failed to shred them, and took them home. Vanek also admitted that she kept the cards for a period of years.

At our request, Corporate Communications undertook a review of its records and tested approximately 120 of the retrieved MetroCards to determine if they had been used, or if their monetary value had been extracted by some mechanism. Corporate Communications determined that those 120 MetroCards had expired as no action had been taken to cancel them and no monetary value had been extracted. Further, Corporate Communications management advised OIG staff that it had requested an internal audit of its system and was seeking methods to ensure the security of returned MetroCards.

NYC Transit Rules and Regulations

The Rules and Regulations Governing Employees of MTA New York City Transit Authority (rev. Jan. 2016) (Rules and Regulations) provide, in pertinent part, as follows:

³ A review is ongoing to determine whether customers were charged for the cost of the unused returned cards.

1. Rule 2(b) Knowledge of and Compliance with Rules
Disobedience of these rules or of instructions or any neglect of duty, or any disorder, or any act or omission prejudicial to efficiency or discipline, or any interference with the normal operation of train or bus service or maintenance of the New York City Transit System, shall be reason for charges of misconduct and incompetence and such misconduct or incompetence will be subject to penalty of dismissal, demotion, suspension or such other penalty as the Authority shall impose.
2. Rule 10(a) Certain Acts of Employees Prohibited
Employees are required to avoid behavior which would tend to create adverse criticism of the Authority or of the System. Their conduct, whether on or off duty on System property, is required to be such as to merit the confidence and respect of the public and their superiors
3. Rule 11(x) Certain Acts of Employees Prohibited
No property of the Authority may be removed by employees from System premises, unless . . . duly authorized by a proper supervisory employee.
4. Rule 12(a) Code of Ethics
No officer or employee of the Authority . . . [s]hall pursue a course of conduct which will raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her trust.
5. Rule 13(b)1
Employees shall not convert, borrow, or take System property for personal use . . .
6. Rule 13(c)
Employees will be responsible for all property entrusted to them and must see that such property is not misused and is kept in good order.

FINDINGS

1. Imelda Vanek took, without authorization, at least 876 EasyPay Metrocards, in violation of Rules 2(b), 10(a), 11(x), 12(a)10, 13(b)1, and 13(c) of the Rules and Regulations.
2. Imelda Vanek failed to perform her work duties as required, in violation of Rules 2(b), 8(b), 10(a), and 12(a)10 of the Rules and Regulations.
3. The Mail & Ride Department of Corporate Communications, NYC Transit, MTA, lacked sufficient controls to ensure the security of returned MetroCards.

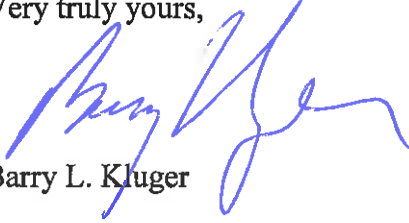
RECOMMENDATIONS

1. NYC Transit should discipline Imelda Vanek as it deems appropriate.
2. NYC Transit should review the procedures currently in place in the Mail & Ride Department of Corporate Communications and implement procedures to ensure the security of returned MetroCards.

As noted above, the Mail & Ride Department of Corporate Communications has already undertaken a review and requested an internal audit of its system and we anticipate that procedures will be implemented to ensure the security of returned MetroCards.

As always, we appreciate your continued courtesy and cooperation. Should you have any questions, or need additional information, please contact me at (212) 878-0000 or Deputy Inspector General Demetri M. Jones at (212) 878-0279.

Very truly yours,


Barry L. Kluger