

# ITEM 28

## FASANA MOTION October 16, 2008 Theft of Daily Passes

Recent newspaper articles have reported that a Metro bus operator took day passes and gave them to an accomplice to sell. Both the operator and the accomplice plead guilty. The articles stated that this summer, Metro's internal audit department began reviewing procedures. Metro authority officials stated that they don't know how much money has been lost on this one case but that three drivers a year skim money from pass sales books. There is not a deadline for the internal audit and we do not know how many passes are unaccounted for each day.

Since the introduction of the day pass in 2004, there have been far too many incidents of employees embezzling day passes by giving their supplies of day passes to "runners" who in turn sell them on the street.

This has been an ongoing problem. Metro does not know how extensive it is. Metro needs to establish better controls to protect fare media from embezzlement. Metro is uncertain when and if full implementation of the TAP card would replace the day pass.

**I THEREFORE MOVE THAT Metro Management and Audit Services; Office of the Inspector General; Los Angeles Sheriff Dept-Transit Service Bureau; Metro System Safety and Security; Metro Operations, Metro TAP project; and Metro Marketing-Pass Sales report back at the next meeting of the Board of Directors on lessons learned to date, difficulties securing fare media, findings and recommendations of any audits completed to date, and potential controls to protect fare media.**