

**LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**RELATED TO THE LOW INCOME FARE IS EASY (LIFE) PROGRAM  
FOR THE PERIOD FROM JULY 1, 2023 THROUGH DECEMBER 31, 2023**



Simpson & Simpson, LLP  
Certified Public Accountants

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Members of the  
Los Angeles County Metropolitan Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Los Angeles County Metropolitan Transportation Authority (Metro), solely to assist Metro with respect to the compliance of FAME Corporation (FAME) and the International Institute of Los Angeles (IILA) with the eligibility verification requirements of the Low-Income Fare is Easy (LIFE) program for the period from July 1, 2023 through December 31, 2023. FAME's and IILA's management are responsible for their compliance with those requirements.

Metro has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Metro with respect to the compliance of FAME and IILA with the eligibility verification in the LIFE program for the period from July 1, 2023 through December 31, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### 1) Agency Program Compliance:

We reviewed documentation and records that were maintained by the Administrators and Distributing agencies to verify programmatic compliance with the LIFE program's eligibility criteria, specifically to verify that proof of residency, income level documentation, and valid identification were reviewed prior to enrolling patrons into the program. We sampled a total of 118 patrons (59 patrons from each Administrator, FAME and IILA) using a statistical approach with a 5% margin of error and a 95% confidence level.

**Result:** All documentation and records for the sampled patrons, which were maintained by Administrators and Distributing agencies, were found to be complete and properly maintained.

### 2) Eligibility Verification:

We reviewed documentation and records for the same set of sampled patrons in the agency program compliance procedure. In this procedure, the documentation was either provided directly by the patrons or facilitated by the agencies, to verify compliance with the LIFE program's eligibility criteria. Similar to the procedures performed under the agency program compliance, the eligibility verification included reviewing proof of residency, income level documentation, and valid identification to ensure all eligibility requirements were met.





**Result:** Out of 118 sampled patrons, 42 patrons (17 from IILA and 25 from FAME), or 36%, responded to outreach efforts were confirmed to meet the eligibility criteria. The documentation was found to be complete and properly maintained.

However, the remaining 76 sampled patrons (42 from IILA and 34 from FAME), or 64%, either refused to submit documents, provided incomplete support, or were unresponsive to our requests. For a detailed breakdown, refer to Procedures 3.

### 3) Participant/Patron Outreach:

We reached out to patrons using email, phone, and U.S. mail. To maximize engagement and response rates, each patron was contacted a minimum of three attempts per contact method.

**Result:** While overall communication efforts were largely effective, we encountered specific challenges that impacted responses rates as a notable portion of the sampled patrons were either unresponsive or had outdated contact information as shown in the bullet points below:

#### IILA:

- Confirmed Eligible: 17 patrons (29%)
- Refused to Submit Documents: 2 patrons (3%)
- Incomplete/Pending Supports: 11 patrons (19%)
- Unresponsive\*: 29 patrons (49%), with the following specifics:
  - Incorrect Contact information: 11 patrons, many of whom reside in homeless shelters, had issues such as incorrect phone numbers or addresses, leading to challenges in establishing contact.
  - No Response: 18 patrons did not respond despite extensive outreach efforts.

#### FAME:

- Confirmed Eligible: 25 patrons (43%)
- Refused to Respond or Submit Documents: 2 patrons (3%)
- Incomplete/Pending Supports: 12 patrons (20%)
- Unresponsive\*: 20 patrons (34%), with the following specifics:
  - Incorrect Contact information: 8 patrons, many of whom reside in homeless shelters, had issues such as incorrect phone numbers or addresses, leading to challenges in establishing contact.
  - No Response: 12 patrons did not respond despite extensive outreach efforts.

\*Note: The high incidence of unresponsive cases, particularly among patrons with incorrect contact information, is a recurring issue that sometimes correlates with the transient lifestyle of some walk-in patrons, including those experiencing homelessness. These conditions often lead to outdated or inaccurate contact details, which hinder efforts to establish communication.



We were engaged by Metro to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the LIFE program eligibility verification. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Metro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Metro and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
August 23, 2024

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**LOW INCOME FARE IS EASY (LIFE) PROGRAM  
FOR THE PERIOD FROM JULY 1, 2023 THROUGH DECEMBER 31, 2023**

**OBJECTIVE, SCOPE AND METHODOLOGY**

**Introduction**

The LIFE program provides fare discounts to eligible low-income residents of Los Angeles County, addressing their essential transportation needs. Initiated in 2017 and administered by FAME and IILA, alongside hundreds of Distributing agencies, the program has grown significantly. As of December 31, 2023, the LIFE program supported over 290,000 patrons, offering services such as fare discounts and taxi coupons. By June 30, 2024, this number had increased to over 350,000 patrons.

While our Agreed-Upon Procedures (AUP) covers the period from July 1, 2023, through December 31, 2023, we present patron enrollment data as of June 30, 2024, to provide a broader, more up-to-date view of the program's growth and utilization trends. This additional data offers a more comprehensive perspective on program participation, as a 12-month period illustrate the ongoing growth of the program.

Of the over 350,000 patrons, enrollment data shows that 240,000 patrons were enrolled in the regular LIFE fare program, while an additional 110,000 patrons were enrolled in the LIFE Limited fare program. For Fiscal year 2024 utilization, defined as the number of patrons who utilized LIFE and LIFE Limited fare program benefits, were approximately 130,000 patrons, representing 37% of total patrons.

It is important to note that this 37% utilization figure covers the period from July 1, 2023 through June 30, 2024. The utilization figure in this report focuses specifically on actual transit boardings under the LIFE and LIFE Limited fare programs during this period.

**Engagement Significance**

With the removal of the annual re-enrollment requirement in Spring 2023, Metro engaged with Simpson and Simpson LLP to conduct semiannual Agreed-Upon Procedures (AUP) engagements. These engagements provide assurance of continued compliance with the program's eligibility criteria, ensuring that patrons continue to meet the eligibility criteria and maintain uninterrupted access to benefits.

**Objective**

The primary objective of this AUP engagement is to verify the ongoing eligibility of patrons in the LIFE program, especially following the discontinuation of the annual re-enrollment requirement in Spring 2023. The AUP engagement is designed to ensure that patrons continue to meet the eligibility criteria and that the administration by FAME and IILA maintains adherence to the program's operational guidelines. This ensures that the program remains effective in serving the community and upholding its objectives.

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OBJECTIVE, SCOPE AND METHODOLOGY

**Scope**

The scope of this AUP engagement involves a thorough review of the eligibility status of a sample of patrons, by assessing their provided documentation with the program requirements. Specifically, the samples include patrons who have been enrolled in the program since 2019 and onward, who would be subject to re-verifying their eligibility status under previous program guidelines to ensure that the patrons still qualify.

**Administrative Changes**

FAME's LIFE program contract ended on June 30, 2024 for the southwest, southeast and northwest service regions. Effective July 1, 2024, IILA became the sole LIFE program administrator for all service areas, with this role extending until December 31, 2024. To ensure continued service and program administration, FAME staff transitioned over to IILA during the engagement. Following this period, the LIFE program will go out for bid for future administration.

**Methodology**

- **Sample Selection:** From each of the two program administrators, FAME and IILA, 59 patrons were selected, totaling 118 patrons. This selection was using the sample parameters of a 5% margin of error, a 95% confidence level, and an expected (true) error rate of 4%, applied to the population size of approximately 290,000 as of December 31, 2023. Additional selection criteria were further applied to these patrons as part of the extended selection process.
  - **TAP card activity/active users of the LIFE program:** To ensure that the sample selections were representative of the population, only patrons who utilized LIFE program benefits (active users) were sampled based on TAP card usage from July 1, 2023 through December 31, 2023, to ensure a diverse and representative sample.
  - **Application Method:** Approximately 60% of the sample selections were offline or walk-in applications, while the remaining 40% of the sample selections were online applications, to reflect the population's statistical demographic and associated risk factors of each method.

Additionally, we applied a deliberate weighting towards patrons who self-certified their income, both online and offline, as this group is considered to present a higher risk. This approach was taken to ensure more focused examination of potential risk areas within the population.

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OBJECTIVE, SCOPE AND METHODOLOGY

Methodology (Continued)

- Offline/Walk-in Application: Generally considered higher in risk because the walk-in process can sometimes lead to rushed processing and the retention of incomplete data/documentation, increasing the likelihood of errors or oversight, which could result in the enrollment of ineligible applicants.
- Online Application: Generally lower in risk due to automated checks that ensure required data is entered/uploaded before the application is electronically submitted. However, there are still challenges such as technical issues that can lead to incomplete uploads, or documents that may be uploaded in formats that are difficult to read and process (e.g., cropped images or blurry scans). These factors can impede the verification process and affect the allowability of eligibility documentation.
- **Agency Selection**: Sampled patrons were selected from the largest agencies, based on the number of patrons served. The agencies will be rotated in subsequent audits to ensure sufficient coverage.
- **Contact Information**: At least 2 forms of contact information were required for each patron, maintained by either Metro or agencies.
- **Data Collection**: We used various methods of contact, including email, phone, and U.S. mail, to gather necessary documentation from the patrons. This multi-channel approach is designed to maximize both response rate and the accuracy of the information collected.
- **Analysis**: The collected documentation, including proof of identification, residency, and income levels, was thoroughly reviewed to confirm the ongoing eligibility of patrons, thereby maintaining the integrity and effectiveness of the program.

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 DETAILED PROCEDURES RESULTS

**Overall Results**

We sampled a total of 59 patrons each from IILA and FAME, totaling 118 patrons from the LIFE program. Of these, 17 patrons from IILA and 25 from FAME responded and were all confirmed as meeting the program’s minimum income requirements and other eligibility criteria.

**Detailed Response Outcomes**

Responses received during the procedures were categorized as follows:

- **Confirmed Eligible:** Patrons were verified to meet all eligibility criteria of the LIFE program.
- **Responsive but refused:** Patrons explicitly declined to provide the necessary eligibility documents.
- **Unsubmitted Documents:** Patrons initially agreed to submit required documents but ultimately failed to do so.
- **Unresponsive or Unreachable:** Patrons could not be reached or did not respond, despite multiple attempts to contact them via various methods.

**Table B.1 - Overall Response Outcomes by Administrator**

**IILA:**

Category	No. of samples	% of samples
Confirmed Eligible	17	29%
Responsive but refused	2	3%
Unsubmitted Documents	11	19%
Unresponsive/Unreachable*	29	49%
<b>Total</b>	<b><u>59</u></b>	<b><u>100%</u></b>

**FAME:**

Category	No. of samples	% of samples
Confirmed Eligible	25	43%
Responsive but refused	2	3%
Unsubmitted Documents	12	20%
Unresponsive/Unreachable*	20	34%
<b>Total</b>	<b><u>59</u></b>	<b><u>100%</u></b>

Note \*: See Table B.3 for further information.

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DETAILED PROCEDURES RESULTS

**Table B.2 – Detailed Results by Application Method**

The table summarizes the procedures’ results, categories into “offline” (e.g., walk-in applicants, paper applicants, etc.) or “online” applications, detailed for both administrators, IILA and FAME.

**IILA:**

Category	Offline	Online	Total
Confirmed Eligible	8	9	17
Responsive but refused	2	0	2
Unsubmitted Documents	4	7	11
Unresponsive/Unreachable*	22	7	29
<b>Total</b>	<b><u>36</u></b>	<b><u>23</u></b>	<b><u>59</u></b>

**FAME:**

Category	Offline	Online	Total
Confirmed Eligible	15	10	25
Responsive but refused	1	1	2
Unsubmitted Documents	7	5	12
Unresponsive/Unreachable*	13	7	20
<b>Total</b>	<b><u>36</u></b>	<b><u>23</u></b>	<b><u>59</u></b>

Note \*: See Table B.3 for further information.

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DETAILED PROCEDURES RESULTS

**Table B.3 - Unresponsive or Unreachable Patrons Breakdown**

The table categorizes the possible reasons for unresponsiveness among sampled patrons for both IILA and FAME.

**IILA:**

Category	Description	No. of Patrons
<b>Erroneous Contact Details</b>	Incorrect phone numbers, email addresses, or other contact information provided during application process. Transient and unhoused populations are also included in this category, as frequent changes in living situations can lead to outdated contact information.	<b>11</b>
<b>Other or Unknown</b>	Unknown reason as contact with patron was not made, but reasons may include: <ul style="list-style-type: none"> <li>• <b>Fraud or Telemarketing Concerns</b> - Patrons may have screened calls or emails due to suspicions of fraud or spam. Despite cooperative efforts from the Administrator, it was not successful.</li> <li>• <b>Ineligibility</b> - Some may have avoided responding due to potential ineligibility.</li> <li>• <b>Disinterest</b> - Lack of interest or perceived benefit from participating in the review process.</li> </ul>	<b>18</b>

**Total**      **29**

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DETAILED PROCEDURES RESULTS

**Table B.3 – Unresponsive or Unreachable Patrons Breakdown (Continued)**

FAME:

Category	Description	No. of Patrons
<b>Erroneous Contact Details</b>	Incorrect phone numbers, email addresses, or other contact information provided during application process. Transient and unhoused populations are also included in this category, as frequent changes in living situations can lead to outdated contact information.	<b>8</b>
<b>Other or Unknown</b>	Unknown reason as contact with patron was not made, but reasons may include: <ul style="list-style-type: none"> <li>• <b>Fraud or Telemarketing Concerns</b> – Patrons may have screened calls or emails due to suspicions of fraud or spam. Despite cooperative efforts from the Administrator, it was not successful.</li> <li>• <b>Ineligibility</b> – Some may have avoided responding due to potential ineligibility.</li> <li>• <b>Disinterest</b> – Lack of interest or perceived benefit from participating in the review process.</li> </ul>	<b>12</b>
<b>Total</b>		<b><u>20</u></b>

**Observation/Recommendation**

During our procedures, we were unable to validate the eligibility of all our sampled patrons, primarily due to their lack of response to our inquiries. We believe this unresponsiveness is largely due to outdated or inaccurate contact information, particularly among patrons who self-certified their income eligibility when applying to the LIFE program. Given these challenges, we recommend implementing a process that regularly reminds patrons to update their contact information (e.g., mailing address, phone number, and email address), especially when there are changes in their living situation. This reminder can be included in a flyer/postcard or a recurring monthly newsletter, which may help maintain data integrity and improve communication effectiveness throughout the verification process.

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COMPARATIVE ANALYSIS OF ELIGIBILITY REVIEW RESULTS**

**Table C.1 – Comparative Analysis of Eligibility Review Results**

The table below provides a comparison between the current audit period, which covers the first six months of FY2024 (July 1, 2023 to December 31, 2023), and the prior audit period, which covered the entire fiscal year of FY2023 (July 1, 2022 to June 30, 2023).

It is important to note that the prior audit period covered 12 months, whereas the current audit covers only 6 months. The difference in timeframes should be considered when interpreting the results. The data presented reflects the combined results from both program administrators, FAME and IILA, for the respective periods. Once the eligibility review for the second half of FY2024 (January 1, 2024, to June 30, 2024) is completed, the comparative data will be updated to reflect the full fiscal year.

<b>Category</b>	<b>FY23 (12 months)</b>	<b>FY24 (First 6 months)</b>
Confirmed Eligible	56	42
Responsive but Refused	4	4
Unsubmitted Documents	18	23
Unresponsive/Unreachable	40	49
<b>Totals</b>	<b>118</b>	<b>118</b>