

**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 JANUARY 1, 2025 THROUGH JUNE 30, 2025**



Simpson & Simpson, LLP
Certified Public Accountants

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SIMPSON & SIMPSON
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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 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 **January 1, 2025 through June 30, 2025**. 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. 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 IILA 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 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 IILA 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, 59 patrons, or 50%, responded to outreach efforts were confirmed to meet the eligibility criteria. The documentation was found to be complete and properly maintained.



However, the remaining 59 sampled patrons, or 50%, either provided incomplete support, were unresponsive to our requests, or were determined ineligible for the program. 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:

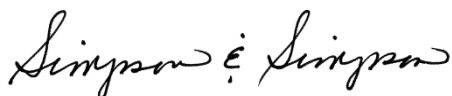
- Confirmed Eligible: 59 patrons (50%)
- Incomplete/Pending Supports: 10 patrons (8%)
- Unresponsive*: 49 patrons (42%), with the following specifics:
 - Incorrect Contact information: 37 patrons, many of whom reside in homeless shelters, had issues such as incorrect phone numbers or addresses, leading 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.



Los Angeles, California
April 14, 2026

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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 IILA, alongside hundreds of Distributing agencies, the program has grown significantly. As of June 30, 2025, the LIFE program supported over 471,000 patrons, offering services such as fare discounts and taxi coupons.

Of the over 471,000 patrons, enrollment data shows that 323,000 patrons were enrolled in the regular LIFE fare program, while an additional 148,000 patrons were enrolled in the LIFE Limited fare program. For fiscal year 2025, approximately 160,000 patrons used regular LIFE fare program benefits, representing 49% of regular LIFE fare program enrollment. The utilization figure in this report is measured by actual transit boardings under the regular LIFE 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 IILA maintains adherence to the program's operational guidelines. This ensures that the program remains effective in serving the community and upholding its objectives.

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.

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OBJECTIVE, SCOPE AND METHODOLOGY

Methodology

- **Sample Selection:** From the program administrator, ILLA, a total of 118 patrons were selected. This selection was made 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 of approximately 160,000 active users of the regular LIFE fare program. Additional selection criteria were then 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 January 1, 2025 through June 30, 2025, to ensure a diverse and representative sample.
 - **Application Method:** Approximately 53% of the sample selections were offline or walk-in applications, while the remaining 47% of the sample selections were online applications, to reflect the population's statistical demographic and associated risk factors of each method. (see Table B.2)

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.

- **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.

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OBJECTIVE, SCOPE AND METHODOLOGY

Methodology (Continued)

- **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 118 patrons from the LIFE program. Of these, 59 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

Category	No. of samples	% of samples
Confirmed Eligible	59	50%
Responsive but refused	0	0%
Unsubmitted Documents	10	8%
Unresponsive/Unreachable*	49	42%
Total	<u>118</u>	<u>100%</u>

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.

Category	Offline	Online	Total
Confirmed Eligible	19	40	59
Responsive but refused	0	0	0
Unsubmitted Documents	3	7	10
Unresponsive/Unreachable*	41	8	49
Total	<u>63</u>	<u>55</u>	<u>118</u>
% of Total Sample	53%	47%	100%

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.

Category	Description	No. of Patrons
Erroneous Contact Details	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.	37
Other or Unknown	Unknown reason as contact with patron was not made, but reasons may include: • Fraud or Telemarketing Concerns - Patrons may have screened calls or emails due to suspicions of fraud or spam. Despite cooperative efforts from the Administrator, it was not successful. • Ineligibility - Some may have avoided responding due to potential ineligibility. • Disinterest - Lack of interest or perceived benefit from participating in the review process.	12
Total		<u>49</u>

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DETAILED PROCEDURES RESULTS

Observation/Recommendation

When compared to the immediate prior audit period (July 1, 2024 through December 31, 2024), the current audit period (January 1, 2025 through June 30, 2025) shows a slight decrease in the proportion of patrons confirmed eligible (from 54% to 50%), as shown in **Table C.1**, while the rates of responsive but refused and unresponsive or unreachable patrons remained unchanged at 0% and 42%, respectively.

However, when measured at the fiscal year level, FY2025 shows meaningful improvements over FY2024, as shown in **Table C.2**, the proportion of confirmed eligible patrons increased from 42% to 52%, and the proportions of patrons who were contacted but refused to provide documents or did not submit documents decreased from 4% to 0% and from 17% to 6%, respectively. These improvements indicate increased cooperation from patrons who were successfully contacted. At the same time, the proportion of unresponsive or unreachable patrons increased from 37% to 42%, demonstrating that challenges in obtaining current and accurate patron contact information continue to affect verification results.

Although we did not specifically test the effectiveness of any changes implemented by the Program Administrator, the year-over-year improvement in confirmed eligibility suggests some progress has been made in engaging active patrons. However, the continuing rise in unresponsiveness cases indicates that outreach processes remain an area requiring further improvement.

Recommendation:

We recommend that the Program Administrator continue to strengthen outreach efforts by implementing periodic contact verification procedures and utilizing multiple communication channels to improve responsiveness. Additionally, strategies focused on maintaining accurate contact information at the time of enrollment and during continued program participation should be prioritized to reduce unresponsiveness in future eligibility verification cycles.

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COMPARATIVE ANALYSIS OF ELIGIBILITY REVIEW RESULTS

Table C – Comparative Analysis of Eligibility Review Results

The following tables present eligibility verification outcomes for the current audit period (second half of FY2025: January 1, 2025 – June 30, 2025) compared against two reference periods: (1) the immediate prior six-month period, which covered the first half of FY2025 (July 1, 2024 to December 31, 2024) – Table C.1, and (2) the full prior fiscal year of FY2024 (July 1, 2023 to June 30, 2024) – Table C.2..

These comparisons are provided to illustrate trends in patron responsiveness and documentation compliance. Results are combined across all patrons sampled during each respective period.

Table C.1: Current period (1/1/2025-6/30/2025) vs Immediate prior six-month period (7/1/2024-12/31/2024).

Category	FY2025		FY2025		% Change
	1/1/2025-6/30/2025	% of Total	7/1/2024-12/31/2024	% of Total	
	<i>No. of Patrons</i>	<i>(a)</i>	<i>No. of Patrons</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
Confirmed Eligible	59	50%	63	54%	-4%
Responsive but refused	0	0%	0	0%	0%
Unsubmitted Documents	10	8%	5	4%	4%
Unresponsive/Unreachable	49	42%	50	42%	0%
Total	118	100%	118	100%	

Note: The second half of FY2025 demonstrates a change in eligibility outcomes, with a lower percentage of patrons confirmed eligible and no change in responsive-but-refused and unresponsive or unreachable. However, there was an increase in sampled patrons who failed to submit all requested documents.

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**COMPARATIVE ANALYSIS OF ELIGIBILITY REVIEW RESULTS
(CONTINUED)**

Table C.2: FY2025 (7/1/2024-6/30/2025) vs. FY2024 (7/1/2023-6/30/2024)

Category	FY2025		FY2024		% Change
	7/1/2024-6/30/2025	% of Total	7/1/2023-6/30/2024	% of Total	
	<i>No. Patrons</i>	<i>% of Total (a)</i>	<i>No. Patrons</i>	<i>% of Total (b)</i>	<i>(c)=(a)-(b)</i>
Confirmed Eligible	122	52%	99	42%	10%
Responsive but refused	0	0%	9	4%	-4%
Unsubmitted Documents	15	6%	41	17%	-11%
Unresponsive/Unreachable	99	42%	87	37%	5%
Total	236	100%	236	100%	

Note: FY2025 shows a higher percentage of patrons confirmed eligible and a reduction in both responsive-but-refused and unsubmitted documentation cases compared full to the prior fiscal year, indicating improved cooperation and documentation compliance among patrons who were contacted. The rate of unresponsive or unreachable patrons increased from the prior period, demonstrating that outreach and contact limitations continue to be an ongoing factor affecting verification outcomes.