



STATE OF NEW YORK  
OFFICE OF THE STATE INSPECTOR GENERAL  
**Final Report**  
**June 30, 2008**

**DMV Boosts Cash Audits After Losing \$12,125**

SUMMARY OF FINDINGS/RECOMMENDATIONS

Within a relatively brief period, the Office of the State Inspector General received three separate allegations regarding cash losses at three New York State Department of Motor Vehicles (DMV) District Offices. Subsequent investigation revealed that DMV employees did not follow requisite procedures regarding the securing of cash at three DMV District Offices, resulting in losses totaling \$12,125.28. It is recommended that the responsible employees be held accountable and that comprehensive and consistent cash handling policies and procedures be implemented and strictly enforced.

ALLEGATIONS

Within a relatively brief period, the Inspector General received separate allegations regarding cash losses at DMV's Richmond County, Springfield Gardens, and Jamaica District Offices.

SUMMARY OF INVESTIGATION

**Richmond County**

The Inspector General received an allegation in June 2007 that \$5,210.20 was found to be missing from the cash receipts at the DMV's Richmond County District Office.

At its district offices, the DMV issues driver licenses, non-driver identifications cards and vehicle registrations to walk-in customers, for which fees are charged. The DMV also collects fees for driver license suspensions and terminations, as well as for excess driver license points under the Driving Responsibility Act. Additionally, the DMV collects civil penalties for insurance lapses. These fees and penalties are collected by Motor Vehicle Representatives (MVRs) assigned to cashier positions. Thousands of dollars in fees and penalties are collected and processed daily at DMV District Offices.

Much of what is collected is paid in cash, which is counted the following business day. It is the practice at the Richmond County District Office for MVRs to turn in their cash banks at the end of their day, with the checks, cash and credit card receipts being placed in clear, pre-numbered plastic bags, which are sealed and then turned over to a supervisor. The duties and responsibilities of the Supervising Motor Vehicle Representatives include collecting and safeguarding the cashiers' keys, paperwork and banks at the end of the business day. Upon receipt, the supervisor who collects the property signs for it and is then required to immediately place the sealed plastic bags into a safe located in a locked room within the audit area.

Anthony Cataldi has been employed by the DMV since 1993 and has been a Supervising Motor Vehicle Representative since May 2001. On May 25, 2007, when, in accordance with procedure, audit clerks opened the safe to inventory and count the money bags from the prior day, they found that two bags containing a total of \$5,210.20 were missing. Upon review of the supervisors' signatures, it was determined that Cataldi had signed for the two missing bags, indicating that he had received them the prior evening. A complete search of the entire office was conducted, but the missing bags were not found. On May 30, 2007 that DMV's Division of Field Investigation notified the Inspector General's Office that the funds were missing.

When interviewed, Cataldi stated that on May 24, 2007, he had collected numerous banks from various cashiers at the end of their business day. However, when collecting the banks, Cataldi did not have the key to the safe room with him and therefore on two separate occasions, he placed a plastic bag containing the day's receipts from a cashier into an unsecured desk drawer in the audit room. He stated that his key to the safe room was at his desk, as he didn't like carrying keys with him. He further stated that on those instances when he did secure banks in the safe room on the day in question, he had borrowed the key of a co-worker. While he also stated that he had intended to retrieve the bags which he had placed in the unsecured desk drawer and place them in the safe, he never did so. He had no explanation for failing to do so. He denied having appropriated the bags.

The Inspector General interviewed all employees assigned to the Richmond County District Office at the time Cataldi collected the two money bags. Everyone interviewed denied having any knowledge of the missing bags after they were turned over to Cataldi. The Inspector General's analysis of Cataldi's personal bank account records did not reveal the deposit of the missing funds or increased spending consistent with the amount of the missing funds.

During the course of this investigation, the office manager of the Richmond County District Office had the lock changed on the audit room and implemented changes on the MVR's bank sign-in/sign out sheet. Cataldi was given a counseling memo dated May 30, 2007, regarding his violation of department security policy.

### **Springfield Gardens**

In October 2007, it was alleged that collections totaling approximately \$5,000.00 were found to be missing from the locked safe at the DMV's Springfield Gardens District Office.

The cash collection procedures at Springfield Gardens are the same as those described above with respect to Richmond County. In this instance, the combination to the safe was changed on September 27, 2007 and the lock to the audit room door was changed on September 28, 2007, in accordance with routine procedure after the transfer of a supervisor from the Springfield Gardens District Office.

If a customer's check has been returned for insufficient funds, DMV requires that the customer make payment in the form of cash, certified check or money order. When such payment is made, the following information is logged in: the customer's name, the date, the amount paid, the original transaction number, the restoration number, the cashier's initials and the supervisor's initials. The customer is issued a receipt and a copy of the receipt is placed with the money into a blue envelope which is to be placed into the safe in a separate section marked "VTL & NG" (referring to "Vehicle and Traffic Law" and "No Good.") These payments, which are referred to as the "exchange account," are to be deposited in the bank on a daily basis by a DMV audit clerk.

On Monday, October 1, 2007, MVR Celena Agramonte received two exchange account payments, one in the amount of \$5,078.58 and the other in the amount of \$209.38, which she turned over in the requisite blue exchange account envelopes to Supervising MVR Deidre Clements. Clements turned over the envelopes to Supervising MVR Ellen McGrath, who made the required entries in the exchange account log. After the cash in the envelopes was counted, McGrath placed the envelopes in the section of the safe marked "VTL & NG" and so informed MVR Pat Bryant. Bryant has been employed by the DMV for 30 years and has been an audit clerk for 22 years. When Bryant asked McGrath whether the larger payment was in the form of a certified check or money order, McGrath stated that it was in cash. Bryant stated that on the following day, October 2<sup>nd</sup>, she observed the envelope containing the \$5,000 when she went into the "VTL & NG" compartment of the safe. In violation of policy, the exchange account funds were not deposited at the bank on that day, or on October 3<sup>rd</sup> or 4<sup>th</sup>.

Kahsha Murray has been employed by the DMV since May 1999 and has been a Supervising Motor Vehicle Representative since May 2005. On October 4, 2007, MVR Sonia Bowen handed Murray a blue envelope containing \$136.50 for the exchange account. Murray stated that she put the envelope down and forgot about it. On Friday morning, October 5<sup>th</sup>, before Bryant went to the audit area, Murray informed her that the safe room door was ajar. Bryant immediately went to the audit area and observed the safe room door wide open. A few moments later, Murray, who had by then recalled that she had put the exchange account envelope down the prior evening, but did not recall placing it in the safe, came to the audit room. Bryant then looked in the safe and noticed that the envelope containing the \$5,000 was missing. The Springfield Gardens District Office then promptly notified the Inspector General about the missing funds.

Bryant stated that she had no knowledge concerning the two missing envelopes. She was issued a counseling memo for having failed to make an exchange account deposit in a timely manner. Murray stated that she too had no knowledge concerning the two missing envelopes and that she had never seen the envelope containing the \$5,000. Murray further stated that she is responsible for the missing envelope which contained \$136.50 and is willing to replace the money.

In the course of its investigation, the Inspector General interviewed all employees assigned to the Springfield Gardens District Office at the time the two exchange account envelopes disappeared and everyone interviewed denied having knowledge of their whereabouts. Since these two incidents, the requirement that the exchange account deposits be made on a daily basis has been enforced.

### **Jamaica**

In October 2007, it was alleged that \$1,700 was missing from the species fund of DMV clerk Maria Ramos, who was the last person to have handled the money. The species fund is the available cash held in the office and includes the cash that each MVR has at the start of business in order to make change.

Maria Ramos has been a DMV employee for seven years. She has always been assigned to the Jamaica District Office and was assigned to the audit unit two years ago. Her duties and responsibilities as an audit clerk include reviewing the daily documents, preparing daily bank deposits, "cashing out" the MVRs at the end of the day and distributing banks in the morning.

It is the practice at the Jamaica District Office that at the close of business, when each MVR's drawer is being counted for the day, the MVR hands Ramos \$100 which she places in a metal box on a shelf under her desk to be used for the species fund. The remaining cash, checks, money orders and credit card slips from each MVR's drawer are then counted and once the funds are reconciled, they are sealed in a clear plastic bag and placed in a basket which is under her desk. Once all the MVR drawers are counted, Ramos takes the sealed plastic bags from the basket and places them into the safe until the following morning, when the deposit is prepared to be picked up by the bank. At the close of business, Ramos also empties the metal box with \$100 from each MVR and places the money in the section of the safe designated for the species fund.

When interviewed, Ramos stated that on the morning of Monday, October 22, 2007, when the safe was opened to prepare the deposit for the bank, all of the sealed plastic bags from the previous business day were missing. At that point, Ramos remembered that on the prior Friday, she had never placed the bags into the safe. Ramos then went to the shelf under her desk and retrieved the basket containing the plastic bags. She found, however, that the metal box used for the species fund had been emptied of its \$1700 cash contents. The Division of Field Investigation notified the Inspector General's Office of the loss on October 24, 2007.

Ramos acknowledged that it was her responsibility to secure the money on Friday, October 19<sup>th</sup>, which she admittedly had failed to do. She also stated that she no longer places items underneath her desk, but rather places them directly into the safe. Ramos received a counseling memo on October 24, 2007, regarding her violation of department security policy.

### **Investigation by the Department of Motor Vehicles**

While the Inspector General was conducting its investigation, DMV's Division of Field Investigation (DFI) was conducting its own investigation of the \$1,700 loss from the species fund. As a result of DFI's investigation, two individuals employed as cleaners at the Jamaica District Office, Pedro Gomez and Constance Mitchell, were arrested on October 29, 2007 and charged with crimes relating to the theft.

## FINDINGS AND RECOMMENDATIONS

The Inspector General's investigations have determined that there have been repeated violations of DMV policy and procedures by employees who have failed to safeguard monies which have been collected. With respect to the particular employees responsible for the losses discussed in this report, it is recommended that DMV determine if disciplinary or other action is appropriate. It is further recommended that comprehensive, consistent cash handling policies and procedures be implemented and strictly enforced to prevent a recurrence of events similar to those identified in this report.

The Department of Motor Vehicles, in its reply of June 5, 2008, states that it has reviewed each case and the records of all employees involved. Where appropriate, the department has issued counseling memos and reflected the incidents in performance evaluations. In addition, a review of audit and/or security procedures was conducted and the procedures were revised to prevent any future loss of cash. The department noted that there appears to be no malfeasance on the part of the employees involved and that there have been no subsequent incidents of similar nature.