



## Metropolitan Transportation Authority

State of New York

October 23, 2019

Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

Honorable Thomas P. DiNapoli  
Office of the State Comptroller  
59 Maiden Lane, 31<sup>st</sup> Floor  
New York, NY 10038

RE: Response to Final Report #2018-S-5 – MTA Homeless Outreach Program at Penn Station, Grand Central, and Outlying Stations within New York City

Gentlemen:

On July 23, 2019, the Office of the State Comptroller issued the above referenced audit report. As required by Section 170 of the Executive Law, I am providing you with the attached response which addresses the recommendations contained in the report.

Additionally, I will be working with staff to ensure that management is following up on and enforcing the audit's recommendations, where appropriate, and requesting regular, interim reports to that effect.

A copy of the final audit report is attached for your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Pat Foye".

Patrick J. Foye  
Chairman and Chief Executive Officer

c: Helene Fromm, MTA Chief of Staff  
Michele Woods, Acting Auditor General, MTA Audit Services

Attachment

*The agencies of the MTA*

MTA New York City Transit  
MTA Long Island Rail Road

MTA Metro-North Railroad  
MTA Bridges and Tunnels

MTA Capital Construction  
MTA Bus Company

# Memorandum




## Metropolitan Transportation Authority

State of New York

**Date** October 18, 2019

**To** Patrick Foye, Chairman, MTA

**From** Patrick T. Warren, MTA Chief Safety Officer 

**Re** **Response to the Office of the State Comptroller Draft Report of the “Homeless Outreach Program at Penn Station, Grand Central Terminal and the Outlying Stations within New York City”, OSC #2108-S-5**

On July 23, 2019, the Office of the State Comptroller (“OSC”) issued a Final Report, “Homeless Outreach Program at Penn Station, Grand Central Terminal and the Outlying Stations within New York City”, OSC #2108-S-5, (“Report”) to the Metropolitan Transportation Authority (“MTA”). The Report covers the period of January 1 through February 4, 2019.

In compliance with Section 170 of the Executive Law the MTA provides OSC with the steps it has taken to implement the six recommendations contained in the Report. As detailed in the MTA’s response dated June 3, 2019, the MTA already has made significant progress.

The MTA is committed to its customers and the communities it serves. As part of that commitment, the MTA looks to help those experiencing homelessness by moving them out of the transportation system into more appropriate shelter and connecting them with the services that will better support their needs. Our response to OSC’s recommendations are below.

**Recommendation 1:**

*Ensure BRC meets established performance measures and develop and establish additional quantifiable performance measures for the Contract.*

**MTA Response:**

**The MTA already complies with this recommendation.** Based on an internal MTA review, in January 2019, the MTA and BRC established new metrics, performance measurements and goals to address issues related to BRC’s performance under the contract. These deliverables require BRC to account for and report to the MTA (among other requirements), the number of unique homeless people in the subway and rail systems. BRC will also report the number of people moved to shelters. The MTA will use the information from these new reports to amend the BRC contract to set better quantifiable performance standards with BRC.

**Recommendation 2.**

*Ensure BRC provides the Contract's required outreach worker staff.*

**MTA Response:**

**The MTA already complies with this recommendation.** The MTA is ensuring BRC provides the required number of outreach worker staff by conducting monthly administration meetings with BRC and by reviewing the number of BRC staff in place to support the contract. When BRC's staffing levels are below contract requirements, the MTA requests that BRC fill staffing short falls by authorizing overtime, employing temporary hires and other innovative manpower generating solutions. When there are such vacancies, the MTA ensures that the invoices it pays do not include costs related to BRC's staff vacancies.

**Recommendation 3.**

*Monitor outreach workers to ensure they are providing a sufficient level of outreach services on MTA properties.*

**MTA Response:**

**The MTA already complies with this recommendation.** The MTA is monitoring outreach workers to ensure they are providing the level of outreach services on MTA properties by establishing a monthly spot-check inspection program and a quarterly audit program. MTA staff observes BRC staff while they execute their duties and review their Daily Reports for accuracy. Further, the MTA now evaluates BRC reported employee activities over the most recent quarter to determine the adequacy of their outreach services. Lastly, the MTA is assessing contract performance standards and will use this assessment to inform changes that will lead to better control of the quantity and quality of BRC's outreach services.

**Recommendation 4.**

*Negotiate with each of the railroads operating within Penn Station to provide proportionate levels of resources to support homeless outreach services.*

**MTA Response:**

**The MTA already complies with this recommendation.** The MTA recognizes that a coordinated plan to engage homeless at Penn Station with Amtrak's, New Jersey Transit's and LIRR's outreach staffs, is necessary to achieve a more effective and efficient homeless outreach coverage within the station. To achieve this goal, the MTA conducts monthly Penn Station Steering Committee meetings which include representatives from the various railroads operating within Penn Station. During these meetings, the Steering Committee examines the recent activities of those experiencing homelessness and collectively make decisions to redistribute

assets within Penn Station to achieve greatest effect from the outreach resources available. Further, these efforts work to achieve a more proportionate level of resources from each railroad to support homeless outreach.

**Recommendation 5.**

*Develop and establish internal controls to ensure that BRC's reported data is accurate and complete, and use the available data to make informed managerial decisions.*

**MTA Response:**

**The MTA already complies with this recommendation.** The MTA established several internal controls to review BRC's data. These internal controls include a monthly meeting where BRC invoices and data are reviewed by MTA station personnel and MTAPD. When discrepancies in data and invoices are identified they are addressed with BRC.

To further improve data assessment, the MTA revised several reports. The MTA directed BRC to report the numbers of unique homeless individuals present within the transit and rail system and the number that have departed the system. BRC is also to report key actions that led to the support of individuals experiencing homelessness and their transition out of the stations.

**Recommendation 6.**

*Ensure BRC's compliance when making placements by verifying client data in CARES.*

**MTA Response:**

**In process.** The MTA will incorporate a procedure into BRC's performance requirements to verify client data in CARES and monitor its implementation during quarterly audits.

# Metropolitan Transportation Authority

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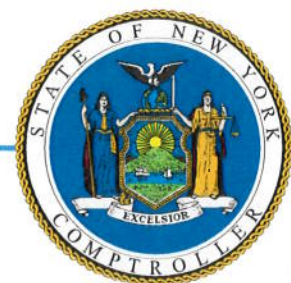
## Homeless Outreach Program at Penn Station, Grand Central, and Outlying Stations Within New York City

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Report 2018-S-5 | July 2019

OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller  
Division of State Government Accountability

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# Audit Highlights

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## Objectives

To determine whether the Metropolitan Transportation Authority (MTA) has appropriate oversight and monitoring controls over its homeless outreach services contract at Pennsylvania Station (Penn Station), Grand Central Terminal (Grand Central), and the outlying Long Island Rail Road (LIRR) and Metro-North Railroad (Metro-North) stations within New York City and whether the MTA has met its goal in assisting homeless clients to appropriate shelters off MTA property. The audit covers the period January 1, 2015 through February 4, 2019.

## About the Program

The MTA is North America's largest transportation network, serving a population of 15.3 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. Two constituent agencies – the LIRR and Metro-North – provide rail service throughout the region, carrying an average of nearly 600,000 customers daily to their destinations via Penn Station or Grand Central in Manhattan. The presence of the homeless at these MTA properties is a growing concern for MTA's customers and staff, and sometimes presents law enforcement issues. In an effort to better address the homeless issue and to assist homeless individuals, since March 2010, the MTA has contracted with Bowery Residents' Committee (BRC), a non-profit provider of homeless housing and services, for homeless outreach services on MTA railroad property, including Grand Central, Penn Station (LIRR portions), Metro-North stations and rights of way in Manhattan and the Bronx, and LIRR stations and rights of way in Queens and Kings counties. Pursuant to the contract, BRC is responsible for carrying out regular visits to the MTA properties to observe and record and to engage in homeless outreach activity. BRC is required to produce standardized activity reports (e.g., daily, weekly, monthly) related to its established performance measures and is required to submit these reports to MTA officials. BRC is also responsible for entering the data from its Daily Activity Reports into the MTA's Homeless Outreach Program database.

## Key Findings

- The MTA should develop additional quantifiable performance measures to establish a valid basis for determining whether BRC's homeless outreach services are meeting expectations and whether the MTA is achieving its goal of maintaining a safe, secure transit environment by assisting homeless clients to appropriate shelters off MTA property.
- Based in part on our observations, we determined BRC is providing only limited outreach services, despite the fact that outreach is one of its primary responsibilities under the contract:
  - On average, BRC outreach workers spent only about 26 percent of their time providing actual outreach services (compared with 53 percent of time spent in the BRC office).
  - During unannounced visits, we witnessed multiple scenarios in which BRC outreach

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workers appeared to intentionally close the office and isolate themselves from active outreach, closing off services to clients seeking assistance. In several instances, clients repeatedly knocked upon the office door, but received no response despite the presence of staff within the office.

- The homeless outreach data BRC reported was not accurate or complete, and the MTA does not have a process in place to verify the data. As BRC's reports are the basis for data analysis and informed outreach decision making, reliable data is essential to ensure that homeless clients are being served as intended and that outreach is being directed to where it is needed most.
- Penn Station is the responsibility of not only the MTA, but also Amtrak and NJ Transit. MTA's contract with BRC at this station is intended to focus primarily on MTA's portion of the property. However, despite Amtrak having its own contract, we found that outreach workers spent a disproportionate amount of their workday on outreach at Amtrak's portion of the station.

## Key Recommendations

- Ensure BRC meets established performance measures, and develop and establish additional quantifiable performance measures for the contract.
- Monitor outreach workers to ensure they are providing a sufficient level of outreach services on MTA properties.
- Develop and establish internal controls to ensure that BRC's reported data is accurate and complete, and use the available data to make informed managerial decisions.
- Negotiate with each of the railroads operating within Penn Station to provide proportionate levels of resources to support homeless outreach services.



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**Office of the State Comptroller  
Division of State Government Accountability**

July 23, 2019

Mr. Patrick J. Foye  
Chairman  
Metropolitan Transportation Authority  
2 Broadway  
New York, NY 10004

Dear Mr. Foye:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Homeless Outreach Program at Penn Station, Grand Central, and Outlying Stations Within New York City*. This audit was performed pursuant to the State Comptroller's authority under Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Division of State Government Accountability*



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# Glossary of Terms

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Abbreviation	Description	Identifier
BRC	Bowery Residents' Committee	<i>Contractor</i>
CARES	DHS' Client Assistance and Rehousing Enterprise System	<i>System</i>
Contract	MTA's most current four-year contract with BRC for homeless outreach services, effective November 2017–October 2021	<i>Key Term</i>
DHS	New York City Department of Homeless Services	<i>Agency</i>
Grand Central	Grand Central Terminal	<i>Key Term</i>
HOP	MTA's Homeless Outreach Program database	<i>System</i>
LIRR	Long Island Rail Road	<i>Agency</i>
Metro-North	Metro-North Railroad	<i>Agency</i>
MTA	Metropolitan Transportation Authority	<i>Auditee</i>
Penn Station	Pennsylvania Station	<i>Key Term</i>

# Background

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The Metropolitan Transportation Authority (MTA) is North America's largest transportation network, serving a population of 15.3 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. Two constituent agencies – the Long Island Rail Road (LIRR) and Metro-North Railroad (Metro-North) – provide rail service throughout the region, carrying an average of nearly 600,000 customers daily to their destinations via Pennsylvania Station (Penn Station) or Grand Central Terminal (Grand Central) in Manhattan.

The presence of the homeless at Penn Station, Grand Central, and the LIRR and Metro-North stations within New York City is a growing concern for MTA's customers and staff, and sometimes presents law enforcement issues. In an effort to better address the homeless issue and to assist homeless individuals, since March 2010, the MTA has contracted with Bowery Residents' Committee (BRC), a non-profit provider of homeless housing and services, for homeless outreach services on MTA railroad property, including Grand Central, Penn Station (LIRR portions), Metro-North stations and rights of way in Manhattan and the Bronx, and LIRR stations and rights of way in Queens and Kings (Brooklyn) counties. The MTA entered into a four-year \$6,666,309 contract (original contract) from March 2010 through February 2014 with BRC to provide homeless outreach services. Starting in March 2014, the MTA extended its contract with multiple supplemental agreements in the aggregate amount of \$5,816,547 over 44 months. Its most current four-year contract (Contract), effective November 2017 through October 2021, cost the MTA \$2,118,871 for the first year, with increases for each of the remaining three years not to exceed 2 percent. The Contract states that each year's program and budget are subject to negotiations and appropriate staffing and cost controls.

The MTA is responsible for the oversight and monitoring of its Contract with BRC. Among other provisions in the Contract, BRC is required to:

- Conduct site visits to observe and record homeless outreach activity in Daily Activity Reports (Daily Reports) as well as the MTA's Homeless Outreach Program (HOP) database;
- Use Daily Report data to produce standardized weekly, monthly, and annual reports related to established performance measures;
- Recommend additional tracking mechanisms and performance criteria;
- Analyze tabulations and draw conclusions based on the data and staff observations and experiences to determine how outreach strategies should be modified for the short and long term; and

- 
- Not make any modifications except pursuant to supplemental agreements between BRC and the MTA.

The Contract requires three shifts of outreach services seven days per week: a morning shift from 7:00 a.m.–3:30 p.m., an evening shift from 3:00–11:30 p.m., and an overnight shift from 11:00 p.m.–7:30 a.m. at Grand Central, Penn Station, and LIRR and Metro-North stations within New York City. According to MTA officials, although not part of the Contract, outreach workers are expected to conduct homeless outreach services for a minimum of four to five hours per shift (ranging from 47–59 percent of their time). The Contract also contains specific provisions regarding BRC staffing levels.

# Audit Findings and Recommendations

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We determined that the MTA does not have sufficient oversight and monitoring controls over its Contract to ensure that BRC's activities and outreach services are appropriate and contractually compliant. In addition, the MTA needs to develop additional quantifiable performance measures to provide a valid basis for determining whether BRC's homeless outreach services are meeting expectations and whether the MTA is achieving its goal of maintaining a safe, secure transit environment by assisting homeless clients to appropriate shelters off MTA property.

Based on our announced (walk-along) and unannounced observations of the outreach workers' activities at Penn Station, Grand Central, and LIRR and Metro-North stations within New York City, we determined that BRC outreach teams did not provide comprehensive outreach services during their station visits. For instance:

- On average, outreach workers spent about 26 percent of their time (2.2 hours per shift) providing actual outreach services – far less than the expected range of 47 to 59 percent (4–5 hours per shift). In fact, the bulk of outreach workers' time was spent in the BRC office (53 percent, or 4.51 hours per shift).
- We witnessed numerous instances where outreach workers appeared to intentionally isolate themselves inside the BRC office, unresponsive to clients who came seeking services.

We also found BRC's standardized reports – and the basis for data analysis and informed outreach decision making – to be unreliable as they were based on inaccurate and/or incomplete data. Furthermore, the MTA does not have a process in place to verify BRC's reported data. Without assurance of accurate data, the MTA cannot trust that homeless clients are being served as intended and that outreach is being directed to where it is needed most.

## Contract Between MTA and BRC

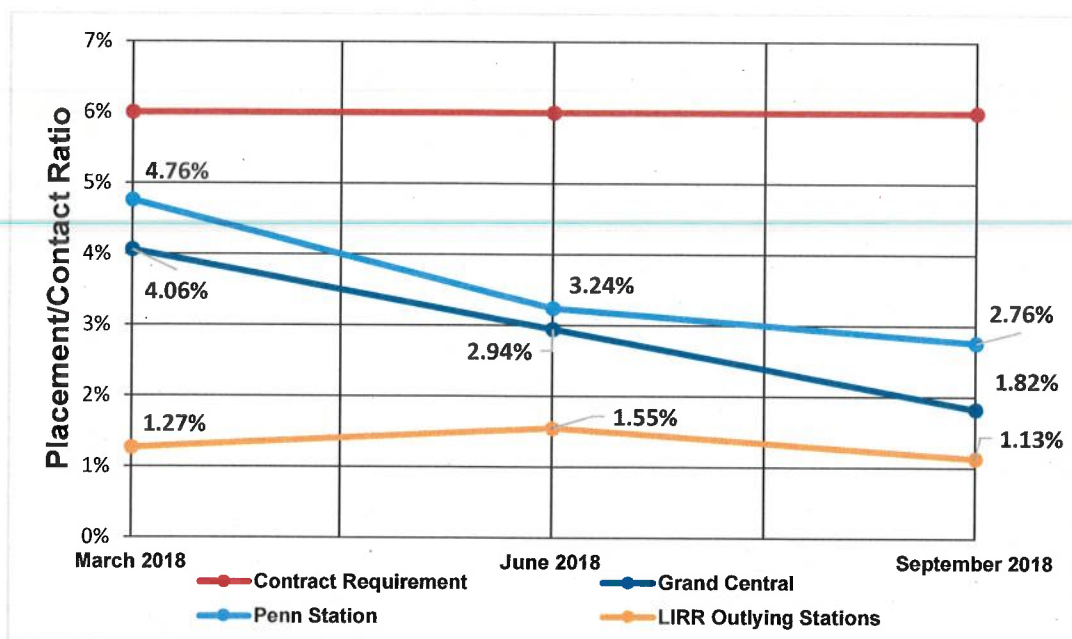
### Performance Measures

The MTA's Contract with BRC identifies performance measures and criteria to track the outreach program success and outcomes, such as a decrease in average number of observances of homeless per overnight shift, a year-to-date placement/contact ratio average minimum of 6 percent, and the number and type of placements (as defined by the New York City Department of Homeless Services [DHS]). However, we determined the Contract did not specify parameters that would constitute satisfactory performance regarding the number and type of placements nor a period of time for determining

outcome trends (e.g., quarterly, yearly, or over the life of the Contract). Further, while the Contract required BRC to recommend additional tracking mechanisms and performance criteria, MTA officials advised us that BRC had not made any such recommendations.

Based on the Contract terms and BRC's reporting, BRC's overall performance regarding homeless observances per overnight shift is considered successful. However, the data that underlies these metrics is questionable, as discussed later in this report. Additionally, other aspects of the Contract's requirements were not met. For March, June, and September 2018, we reviewed BRC's Daily Reports to calculate the placement/contact ratios. Results are presented in Chart 1.

**Chart 1 – Placement/Contact Ratios for March, June, and September 2018\***



\*We did not include Metro-North outlying station data in the chart because the data was not materially significant.

BRC's average minimum placement/contact ratio was 2.6 percent over these three months at all stations, ranging from a high of 4.76 percent at Penn Station in March 2018 to a low of 1.13 percent at LIRR outlying stations in September 2018 – far short of the expected 6 percent. The Contract does not attach a penalty for BRC not meeting the specified performance levels. Instead, it only requires that the MTA and BRC hold meetings and discussions to identify the underlying problems and develop solutions.

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According to MTA officials, the information needed to track the success of the program is available from BRC's Daily Reports and the MTA's HOP database, and, with further analysis, the MTA can derive what it needs from these sources. They also advised us that, in January and February 2019, they modified their meeting schedules and agendas to review BRC's achievement of contracted performance goals and established milestones to address shortcomings. Further, MTA officials advised us that, in the January 2019 supplement to the Contract, they established additional data collection requirements and metrics, which will inform the MTA whether homeless clients are placed in appropriate shelters off MTA property. They will use this further analysis to make amendments to the contracted performance standards in order to make them more meaningful and quantifiable.

## BRC Staffing

The Contract requires BRC to provide 3 independent living specialists, 2 clinical supervisors, 3 shift supervisors/team leaders, and 25 outreach specialists (18 for Penn Station/LIRR and 7 for Grand Central/Metro-North) and a minimum of a 2-person team for each shift. In addition, employee vacancy is not to exceed 20 percent. Our review of BRC's staffing reports submitted to the MTA for the period November 2017 through December 2018 found that BRC did not meet Contract staffing requirements in the following ways:

- BRC came up short on required specialist and supervisory staff, providing only:
  - 2 independent living specialists for 8 of the 14 months (57 percent).
  - 1 clinical supervisor for 7 of the 14 months (50 percent).
  - 2 shift supervisors/team leaders for 4 of the 14 months (29 percent).
  - 16 to 24 outreach specialists for the entire 14-month period.
- For 3 of the 14 months (21 percent), the employee vacancy rate exceeded 20 percent.

According to MTA officials, outreach staffing is reviewed monthly with BRC officials, and the MTA was aware of BRC's staffing issues. When BRC staffing levels are below the Contract requirements, the MTA encourages BRC to use overtime, temporary staffing, and other staffing solutions to address shortfalls.

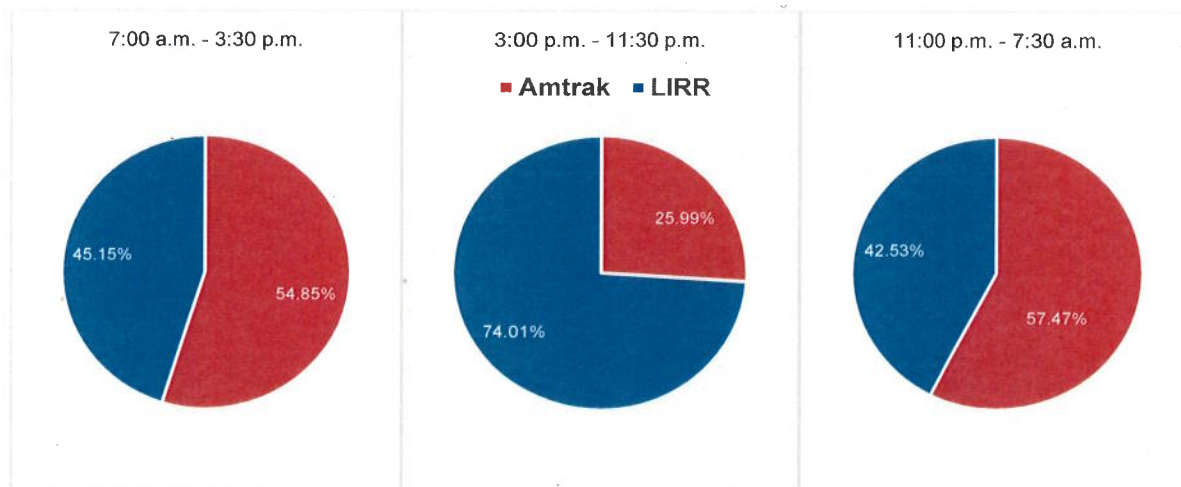
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## Outreach Time on Amtrak Level of Penn Station

Amtrak also operates in Penn Station and also contracted with BRC to provide homeless outreach services. Further, Amtrak provides office space at Penn Station for BRC staff. As such, Amtrak and the MTA developed a coordinated outreach strategy. According to the original contract, “Joint tours with National Railroad Passenger Corporation (Amtrak) outreach workers are conducted twice per month.” The Contract states that joint tours with the Amtrak workers will be conducted “regularly” but does not stipulate a number of hours. According to MTA officials, “regularly” means “on a daily basis.” Amtrak’s contract provides homeless outreach services for only one shift per day: either 7:00 a.m.–3:30 p.m. or 10:00 a.m.–6:30 p.m. For the two shifts not covered by Amtrak’s contract, the outreach services consequently fall to outreach workers assigned to the MTA Contract.

The MTA’s Contract with BRC is intended to focus primarily on the LIRR level at Penn Station. However, we found this was not the case, as outreach workers spent a considerable portion of their workday on the Amtrak level of Penn Station at the expense of LIRR-level outreach. We reviewed a judgmental sample of outreach workers’ total time reported on Penn Station’s Amtrak level in the HOP database for 36 shifts (12 in May 2018, 18 in June 2018, and 6 in September 2018). As shown in Chart 2, a significant percentage of MTA-contracted outreach workers’ time was spent walking the Amtrak level compared with the LIRR level. Notably, the 8.5-hour overnight shift (11:00 p.m.–7:30 a.m.) – a period when Amtrak outreach workers are not available for joint tours – accounts for the largest portion of outreach workers’ time spent on the Amtrak level.

**Chart 2 – Average Outreach Time on LIRR and Amtrak Levels for 36 Sampled Shifts**





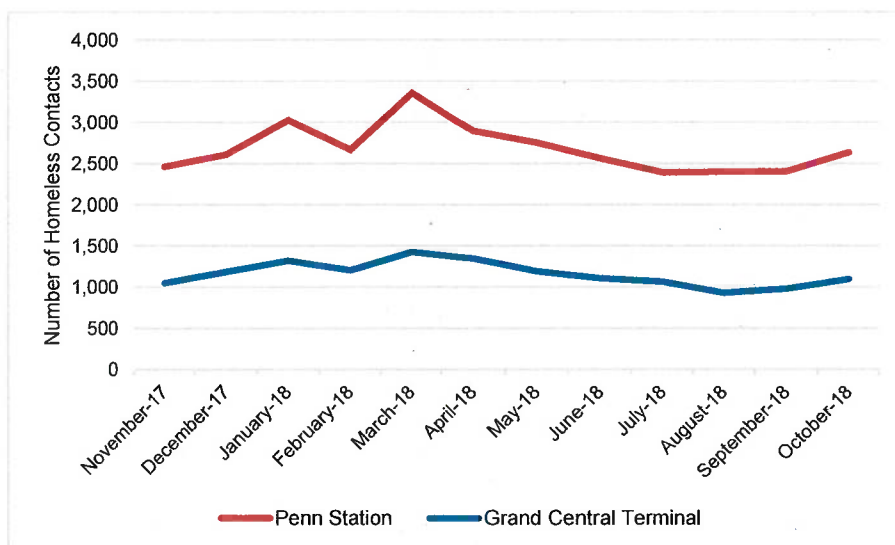
MTA officials stated that, given the movement of homeless within Penn Station, the homeless issue is best addressed station-wide. According to MTA officials, designating a specified duration of joint outreach with Amtrak’s contracted staff will not provide a meaningful measure of services, nor will it necessarily achieve the goal of moving the homeless to appropriate shelters. The MTA does, however, recognize that a coordinated plan to engage the homeless at Penn Station involving all branches of outreach staff will facilitate more effective and efficient coverage of the station and should be based on where the homeless are positioned. MTA officials also advised us that each of the railroads operating within Penn Station (Amtrak, New Jersey Transit, LIRR) should be expected to provide proportionate levels of resources to support homeless outreach services. Consequently, MTA officials advised us that they are reengineering outreach coordination meetings with stakeholders at Penn Station to facilitate improved outreach.

## BRC-Reported Outreach Data

### Homeless Contacts

From November 2017 to October 2018, BRC’s reported data generally indicated an initial increase in the number of homeless contacts at Penn Station and Grand Central, ebbing slightly during the first months of 2018, followed by a substantial increase in March 2018 and a general decrease until the final months (see Chart 3). As of October 2018, the reported number of homeless contacts was greater than in November 2017.

**Chart 3 – Reported Homeless Contacts at Penn Station and Grand Central, November 2017–October 2018**



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However, as presented in the following sections of this report, our findings of inaccurate and incomplete data reported by BRC render these reported results questionable. As a result, the MTA is unable to determine with certainty whether homeless populations at Penn Station and Grand Central have increased or decreased, whether homeless clients are being served as intended, and whether outreach activities are being directed to where they are needed most.

## Data Collection and Analysis

As part of its homeless outreach services, BRC captures certain data regarding outreach activities during outreach tours – including number of homeless counted, number of homeless contacted, and number of placements – and records the data in the Daily Report. This data is then entered into BRC’s computer system, from which BRC generates several standardized reports, including its Weekly, Monthly, and Annual Reports. In addition, outreach workers also enter the data into the MTA’s HOP database.

Overall, we determined that the data in the Daily Reports and the HOP database contained inaccuracies and was incomplete. For example, for the time period of five of our observations at Grand Central, the HOP recorded that outreach workers spent 38 percent of their time performing outreach services and 25 percent in the office. However, our observations found those numbers to be 14 percent and 65 percent, respectively. For instance:

- For the day shift on September 10, 2018, we observed two outreach workers reporting for work at 7:45 a.m. and 8:15 a.m., respectively. However, in the HOP, the two workers reported conducting homeless counts from 7:00–8:00 a.m. and engaging in homeless outreach services from 8:00–8:59 a.m.
- For the day shift on December 11, 2018, we observed that the outreach workers spent from 7:00–7:59 a.m. in the office. However, outreach workers reported in the HOP that they spent this time, until 8:00 a.m., performing a homeless count. We also observed that, from 9:21–10:17 a.m., outreach workers were in the office, while outreach workers reported in the HOP that they were engaged in homeless outreach services during this time.

Similar discrepancies were found during our observations at Penn Station as well as other outlying stations. Moreover, the MTA does not have a process in place to verify reported data.

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## **Inaccurate Outreach Data in Standardized Reports**

We reviewed a judgmental sample of the Monthly Reports – again for March, June, and September 2018 – and compared the data with the corresponding Daily Reports. For all three months sampled, we found differences in the number of contacts and placements recorded. For example, the March 2018 Monthly Report for Penn Station contained 118 more contacts and 56 more placements than the corresponding Daily Reports. The March 2018 Monthly Report for Grand Central contained 145 more contacts and 10 more placements than the corresponding Daily Reports.

BRC's Daily and Monthly Reports are the basis for data analysis and informed outreach decision making. Given the inconsistencies of the data and errors across data sources, however, they cannot be utilized to their maximum potential. Further, BRC officials are not being held accountable for any errors or mistakes because the MTA has not established any internal controls to ensure data accuracy. MTA officials acknowledged they do not conduct their own independent verification of the homeless counts at stations and instead rely on BRC to report accurately.

## **Data Discrepancies in Daily Reports and the HOP**

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BRC is responsible for entering, maintaining, and routinely updating client data in the HOP database and for reconciling the entries to identify any duplications. Given the wealth of information it stores, the HOP is a valuable analytical tool that the MTA could use to help improve delivery of homeless outreach services.

We reviewed a judgmental sample of HOP database reports for four months – March 2015, June 2016, October 2017, and September 2018 – and compared the data with the Daily Reports. Our review found the information in the HOP to be inconsistent and/or incomplete, as follows:

- Whereas the HOP database indicated 13,684 homeless contacts during the sample period, the Daily Reports indicated 11,177 – a difference of 2,507 (18 percent).
- The HOP was missing outreach data for:
  - 16 contacts at Grand Central in March 2015;
  - 37 contacts at Penn Station in October 2017;
  - 19 contacts at Grand Central in October 2017; and
  - All 33 contacts at LIRR Woodside station in September 2018.

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We also found issues with placement data recorded in the Daily Report and the HOP. For example:

- For the December 11, 2018 morning shift, we did not observe outreach workers making any placements during our unannounced observation, whereas outreach workers reported a placement in both the Daily Report and the HOP. We consulted DHS' Client Assistance and Rehousing Enterprise System (CARES) to verify the placement and found that the client was placed, but not on December 11, 2018 and not in the DHS facility indicated in the HOP.
- Our CARES verification of a random sample of 24 BRC placements recorded in the HOP between November 2017 and October 2018 found similar discrepancies. Of the 24 BRC placements, only 20 were recorded in CARES. For 11 of these, the placement date in the HOP did not match the date (or the next day for overnight shift placements) in CARES.

MTA officials acknowledged they do not have internal mechanisms to review all the data collected by BRC, and they do not believe it useful to conduct comprehensive reviews of the entire set of data recorded. However, they recognized key data inputs are not currently being reviewed by the MTA for accuracy. Consequently, the MTA is initiating a quarterly audit program to review representative sets of BRC-reported data to ensure that it is accurate and complete and will require remediation of any discrepancies found.

## Homeless Outreach Performance and Observations

To determine the effectiveness of BRC's homeless outreach services, we conducted a total of 24 announced and unannounced observations of outreach workers' activities at Penn Station (11), Grand Central and outlying Metro-North stations within New York City (12), and an outlying LIRR station within New York City (1). Based on the data we compiled from these observations, we determined that, overall, outreach workers were not providing an adequate level of homeless outreach services based on the MTA's expectations. Outreach workers for all stations (Penn Station, Grand Central, and other MTA rail stations) were spending, on average, about 26 percent of their time conducting outreach services – substantially less than the MTA-expected range of 47–59 percent – and half their time was spent in the BRC office (53 percent). Furthermore, as illustrated in the following sections, BRC is failing to assist homeless people as much

***During unannounced visits, we witnessed multiple scenarios in which outreach workers appeared to intentionally close the office and isolate themselves from active outreach, closing off services to clients seeking assistance.***

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as possible in carrying out its responsibilities under the Contract, resulting in homeless clients being deprived of needed services, and the MTA is not adequately monitoring BRC's provision of outreach services.

In response to our findings, MTA officials advised us that, in December 2018, they initiated internal audits of BRC's outreach efforts, which identified many of the same issues noted in this report. Based on the results of its internal audit, the MTA began to aggressively address shortcomings by establishing a quarterly monitoring program where MTA staff will observe outreach workers while they execute their duties and review their Daily Reports for accuracy. Further, the MTA will evaluate outreach workers over the most recent quarter to determine the adequacy of their outreach services.

## **Penn Station**

### **Outreach**

- Based on data we compiled from two full-shift unannounced visits, outreach workers spent about 3.54 hours per shift conducting outreach services, or 42 percent – compared with the expected range of 47–59 percent. The rest of their time was spent in the office (58 percent).
- During the three full-shift announced observations, outreach workers spent, on average, about 3.17 hours per shift conducting outreach services, or 37 percent – compared with 3.67 hours, or 43 percent, spent in the office.

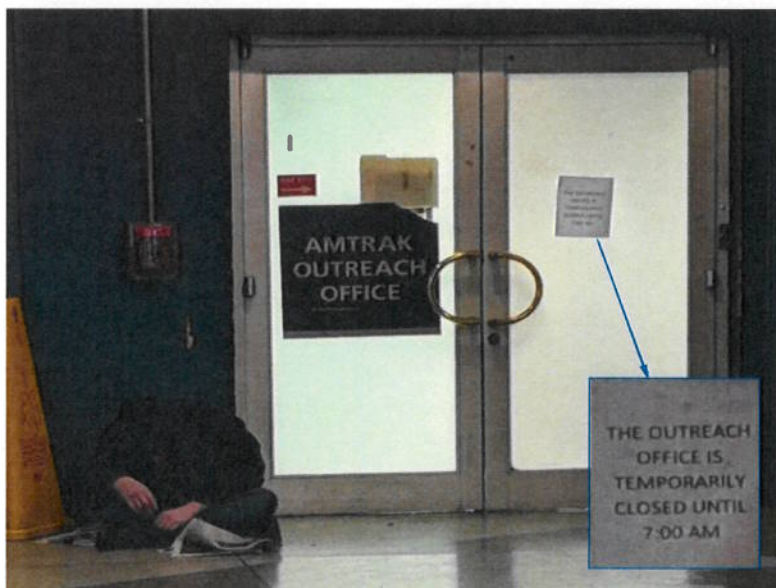
### **Key Observations**

During unannounced visits, we witnessed multiple scenarios in which outreach workers appeared to intentionally close the office and isolate themselves from active outreach, closing off services to clients seeking assistance. For example:

- June 18, 2018; 1:15–4:00 p.m.: We observed no staff engaged in homeless outreach activity despite seeing BRC staff entering and leaving the BRC outreach office. At 2:05 p.m., a wheelchair-bound apparent homeless individual attempted to access the outreach office but left after receiving no response from BRC staff inside. Immediately after, another apparent homeless individual attempted to access the office but also left when there was no response. After the second individual's departure, a BRC staff member placed a sign on the door indicating the office was closed. Three additional apparent homeless people came to the office door during the "Office Closed" time, two of whom were led away by Amtrak police officers.

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- June 19, 2018; 1:30–4:00 p.m.: Despite the presence of outreach workers in the BRC outreach office, four attempts to access the office by two apparent homeless clients were met with no response. Two other apparent homeless individuals were able to enter the office when their visit coincided with a BRC staff member either exiting or entering the BRC outreach office.
  - June 21, 2018; 7:30–7:45 a.m.: We observed three apparent homeless individuals attempting to gain access to the BRC outreach office; however, no BRC staff responded.
  - December 11, 2018; 12:57–3:00 p.m.: While BRC staff were inside the BRC outreach office, an outreach worker placed a sign on the door closing the office until 7:00 a.m. the next day. Although the sign was taken down at 1:51 p.m., in the interim, two apparent homeless individuals approached seeking services, with one choosing to sit and wait (see Figure). At 2:18 p.m., with staff still inside the office, an outreach worker placed another sign on the door indicating the team was out of the office and instructing people to instead “locate an officer within the station.”

**Figure – Apparent Homeless Individual Waiting Outside BRC Outreach Office**



- January 31, 2019; 2:30–2:55 p.m.: We observed multiple apparent homeless individuals unserved and posing a potential hazard for themselves and LIRR customers: four lying on the floor, including two

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stretched out across the Hilton Passageway; one sleeping on the floor in front of, and blocking customers' access to, a MetroCard machine on the LIRR level (entrance to the 1-2-3 subway); and another lying down in a stairwell in the Seventh Avenue subway entry. As we did not observe any outreach workers in uniform (wearing orange jackets for heightened visibility) walking the LIRR level, we concluded no homeless outreach was being conducted inside Penn Station during this time period. However, at 2:48 p.m., we saw an outreach worker not in uniform who, upon leaving the outreach office, posted a sign stating that outreach workers were currently on the floor and instructing clients in need of assistance to look for "orange jackets."

## Grand Central

### Outreach

Based on data we compiled from our ten observations at Grand Central, we determined that:

- During the five unannounced full-shift visits, outreach workers spent about 1.16 hours per shift conducting outreach services, or 14 percent – much lower than the expected range of 47–59 percent. The bulk of their time – about 5.5 hours, or 65 percent – was spent in the office. For example, for the morning shift on September 10, 2018, outreach workers spent 6.45 hours in the office (76 percent) and engaged in only one outreach effort of 39 minutes (8 percent). The remainder of their time (1.40 hours, or 16 percent) was spent talking to MTA police or was accounted for by tardiness.
- During the five announced full-shift visits, outreach workers spent, on average, 1.97 hours per shift conducting outreach services (23 percent) compared with 4.05 hours per shift spent in the office (48 percent). For example, for the day shift on September 17, 2018, we observed that outreach workers spent 4.25 hours (50 percent) in the office, 43 minutes (8 percent) engaged in outreach efforts, and 3.15 hours (37 percent) in round-trip travel to transport a homeless client to a shelter in Brooklyn, only to find out that the client already had housing and could not be accepted by the shelter. According to MTA officials, BRC workers are required to review CARES to determine whether a client is already assigned to a shelter before attempting a placement.
- The variances in outreach time and effort during our observations indicate the outreach team members performed tasks differently when they knew they were being observed. During announced visits, outreach

workers not only spent more time per shift conducting outreach (23 percent vs. 14 percent), but also more time conducting homeless counts (10 percent vs. 4 percent) and less time in the BRC office (48 percent vs. 65 percent during unannounced observations).

### Key Observation

During our observations, we often observed limited or no BRC homeless outreach service efforts during the “lunch rush” (11:00 a.m.–2:00 p.m.) in Grand Central’s dining concourse. As a result, much of the seating intended for dining patrons was taken up by homeless clients, some of whom appeared to be asleep.

### Other MTA Rail Areas

#### Outreach

- During our announced observation visits at outlying LIRR stations within New York City and overnight visits to Grand Central and outlying Metro-North stations within New York City, we found that, in all cases, outreach workers’ efforts fell far below the expected range of 47–59 percent (see Table below).

### Summary of Findings at Outlying LIRR Stations Within New York City and Grand Central and Outlying Metro-North Stations Within New York City

Outlying LIRR Stations		
Category	Time Spent (Hours)	Percent
Outreach	2.05	24%
In Office	3.30	39%
Holding Post*	1.53	18%
Travel	1.62	19%
<b>Totals</b>	<b>8.50</b>	<b>100%</b>

Grand Central/Outlying Metro-North Stations (Overnight)		
Category	Time Spent (Hours)	Percent
Grand Central Outreach	1.98	23%
Outlying Metro-North Outreach	0.77	9%
In Office	4.65	55%
Travel	1.10	13%
<b>Totals</b>	<b>8.50</b>	<b>100%</b>

\*Stationary observation



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- During our overnight observation at Grand Central, we observed 15 apparent homeless individuals in the barricaded entrance to the 42nd Street Passage (according to MTA officials, this area is commonly used as a shelter during Grand Central's closed hours of 2:00–5:00 a.m.). Although outreach workers were present, for this period they engaged with only 8 of the 15 individuals.

### **Modification of Contracted Work**

During an unannounced observation of the morning shift on December 3, 2018 at the LIRR Jamaica station, we did not observe BRC performing any homeless outreach. According to BRC officials, as of November 1, 2018, they no longer perform homeless outreach services at LIRR stations within New York City during the morning and evening shifts; outreach is only performed Sunday through Thursday during the overnight shift. However, we note there was no supplemental agreement between BRC and the MTA, as required, to support this change. When questioned, MTA officials informed us that the LIRR had requested a reduction in coverage for its outlying stations, from three shifts per day to one overnight shift five days per week. At that time, we requested documentation from MTA officials to support the reduction of homeless outreach services. The MTA informed us that, as of February 5, 2019, the required supplemental agreement was pending.

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## **Recommendations**

1. Ensure BRC meets established performance measures, and develop and establish additional quantifiable performance measures for the Contract.
2. Ensure BRC provides the Contract's required outreach worker staffing levels.
3. Monitor outreach workers to ensure they are providing a sufficient level of outreach services on MTA properties.
4. Negotiate with each of the railroads operating within Penn Station to provide proportionate levels of resources to support homeless outreach services.
5. Develop and establish internal controls to ensure that BRC's reported data is accurate and complete, and use the available data to make informed managerial decisions.
6. Ensure BRC's compliance with the CARES verification requirement when making placements.

# Audit Scope, Objectives, and Methodology

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The audit objectives were to determine whether the MTA has appropriate oversight and monitoring controls over its homeless outreach services contract and whether the MTA has met its goal in assisting homeless clients to appropriate shelters off MTA property. Our audit covered the period January 1, 2015 through February 4, 2019.

To accomplish our objectives and assess the relevant internal controls related to MTA monitoring of its homeless outreach services Contract, we interviewed key personnel from the MTA and BRC. We also reviewed standardized progress reports (e.g., Daily and Monthly Reports) as well as available electronic data (e.g., the HOP) to determine whether BRC was implementing the Contract according to the agreed-upon terms. We conducted announced and unannounced visits to Penn Station, Grand Central, and the outlying LIRR and Metro-North stations within New York City to corroborate BRC's efforts and reported data. We also selected a judgmental sample of HOP data for comparison with Daily Reports to corroborate data accuracy. A judgmental sample by definition cannot be projected to the population. To determine BRC's outreach worker staffing levels, we reviewed BRC staffing reports for 14 months from November 2017 through December 2018.

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# Statutory Requirements

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## Authority

The audit was performed pursuant to Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained during our audit provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

## Reporting Requirements

We provided a draft copy of this report to MTA officials for their review and formal comment. Their comments were considered in preparing this final report and are attached to it. In their response, MTA officials agreed with our recommendations and indicated they have already taken steps to address them. Our response to certain MTA comments are included in the report's State Comptroller's Comments.

Within 90 days after the final release of this report, as required by Section 170 of the Executive Law, the Chairman of the Metropolitan Transportation Authority shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees advising what steps were taken to implement the recommendations contained herein, and where the recommendations were not implemented, the reasons why.

# Agency Comments

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**Patrick J. Foye**  
Chairman and Chief Executive Officer



June 5, 2019

Mr. Brian Reilly  
Audit Director  
The Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, NY 12236-0001

**Re: Draft Report #2018-S-5 (Homeless Outreach Program at Penn Station,  
Grand Central, and Outlying Stations Within New York City)**

Dear Mr. Reilly:

This is in reply to your letter requesting a response to the above-referenced draft report.

I have attached for your information the comments of Patrick Warren, MTA Chief Safety Officer, which address this report.

I have requested that MTA staff promptly meet with BRC to address the serious issues raised in this Audit. Additionally, I will be working with staff to ensure that management is following up on and enforcing the audit's recommendations, where appropriate, and requesting regular, interim reports to that effect.

Sincerely,



Patrick J. Foye  
Chairman and Chief Executive Officer

c: Veronique Hakim, MTA Managing Director  
Michael J. Fucilli, Auditor General, MTA Audit Services

*The agencies of the MTA*  
MTA New York City Transit  
MTA Long Island Rail Road

MTA Metro-North Railroad  
MTA Bridges and Tunnels

MTA Capital Construction  
MTA Bus Company

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# Memorandum




## Metropolitan Transportation Authority

State of New York

Date: June 3, 2019

To: Patrick Foye, Chairman and Chief Executive Officer, MTA

From: Patrick T. Warren, MTA Chief Safety Officer 

Re: **Response to the Office of the State Comptroller Draft Report of the “Homeless Outreach Program at Penn Station, Grand Central Terminal and the Outlying Stations within New York City”, OSC #2018-S-5**

The Office of the State Comptroller (OSC) issued a draft audit report on May 2, 2019 on the Metropolitan Transportation Authority’s (MTA) Homeless Outreach Services provided at Penn Station, Grand Central Terminal and the outlying stations within New York City (NYC). The homeless services program is embodied in a contract for homeless outreach and social services with the Bowery Residents’ Committee (BRC), an organization that has been providing housing and treatment services to homeless adults in NYC for many years. OSC has issued facts, commentary, findings and recommendations to the MTA from its audit.

MTA takes very seriously its commitment to its customers and the communities it serves. As part of that commitment, MTA looks to help those in the communities that need the most support. MTA’s homeless outreach services program (Homeless Outreach Program) is designed to move the homeless out of the MTA’s transportation system by helping them find appropriate shelter and services to improve their level of safety and improve their lives. The BRC has built valuable connections within the NYC Department of Homeless Services (DHS), and other homeless shelter providers, which allow for successful placements and support options to the homeless individuals (referred to as “homeless” throughout this document) they find at MTA stations. As a result, the MTA’s stations are safer for its customers and the homeless have received assistance to improve their safety and quality of life.

### Recommendation Comments

Recognizing the importance of helping the homeless transition from the inadequate shelter of the MTA transportation system to appropriate shelters that provide the security and social services, MTA has renewed its drive to provide improved homeless outreach. To this end, in January 2019, MTA reorganized its management oversight of the Homeless Outreach Program to provide holistic project management. Further, MTA is reassessing and amending performance metrics, rebalancing resources, and introducing a heightened level of command and control over the various elements of its Homeless Outreach Program.

**Recommendation 1:**

*Ensure BRC meets established performance measures and develop and establish additional quantifiable performance measures for the Contract.*

**MTA Response:**

**MTA already complies with this recommendation.** In the first quarter of 2019, MTA modified its meeting schedules and agendas to review BRC's achievement of contracted performance goals and establish milestones to address shortcomings. Further, in the January 2019 supplement to the BRC contract, MTA established additional data collection requirements and metrics which will inform MTA's analysis of whether unique homeless are moving out of the subway and rail systems to appropriate shelters. MTA will use this analysis to inform amendments to the contracted performance standards with the BRC, making them more meaningful and quantifiable.

[Comment 1](#)

**Recommendation 2.**

*Ensure BRC provides the Contract's required outreach worker staff.*

**MTA Response:**

**MTA already complies with this recommendation.** At MTA's monthly administration meetings with BRC, MTA reviews the number of hired staff that BRC employs to support the contract. When BRC's staffing levels are below contract requirements, MTA addresses this short fall with the BRC. MTA further encourages BRC to fill staffing short falls with overtime, temporary hires and other innovative manpower generating solutions. Accountability is further achieved by disallowing invoicing of BRC's staff vacancies.

[Comment 2](#)

**Recommendation 3.**

*Monitor outreach workers to ensure they are providing a sufficient level of outreach services on MTA properties.*

**MTA Response:**

**MTA already complies with this recommendation.** In December 2018, MTA initiated internal audits of the BRC outreach efforts which identified many of the same issues noted in this audit report. Based on the shortcomings identified from its internal audit, MTA began to aggressively address them. Regarding monitoring of the services provided by BRC employees, MTA established a quarterly audit program, where MTA staff observes BRC staff while they execute their duties and review their Daily Reports for accuracy. Further, MTA now evaluates BRC reported employee activities over the most recent quarter to determine the adequacy of their outreach services. Lastly, MTA is assessing contract performance standards and will use

[Comment 1](#)

this assessment to inform changes that will lead to better control of the quantity and quality of BRC's outreach services.

**Recommendation 4.**

*Negotiate with each of the railroads operating within Penn Station to provide proportionate levels of resources to support homeless outreach services.*

**MTA Response:**

**MTA has already begun to implement this recommendation.** The homeless that frequent Penn Station are not confined to a single railroad's operating area, and are observed at multiple locations throughout the station. Further, there are some from the homeless population that recognize the seams that exist between the enforcement and outreach efforts applied by the represented railroads, and traverse those seams to their advantage. Consequently, MTA recognizes that a coordinated plan to engage homeless at Penn Station with Amtrak's, New Jersey Transit's and LIRR's outreach staffs, is necessary to achieve a more effective and efficient homeless outreach coverage within the station. Therefore, MTA, in coordination with the other stakeholders at Penn Station, is in the process of reorganizing outreach efforts to be able to focus these efforts in areas where the homeless are physically present – regardless of which railroad's operating area the homeless are occupying. Further MTA is working with Penn Station's various stakeholders to achieve a more balanced allocation of resources from each entity to support homeless outreach.

**Recommendation 5.**

*Develop and establish internal controls to ensure that BRC's reported data is accurate and complete, and use the available data to make informed managerial decisions.*

**MTA Response:**

**MTA already complies with this recommendation.** As mentioned in the response to Recommendation 3, MTA currently employs several internal control mechanisms to review much of BRC's data. These include a comprehensive review of invoice submissions and the conduct of monthly meetings where BRC data is reviewed by station personnel and MTAPD. Discrepancies in data are then immediately addressed. MTA is initiating a quarterly audit program to review representative sets of BRC reported data to ensure that it is accurate and complete, then will require remediation of discrepancies found.

[Comment 1](#)

MTA revised several data reporting elements to facilitate managerial decisions. In particular, MTA directed the reporting of data that leads to an assessment of the numbers of unique homeless individuals present within and have departed its transportation system and key

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Homeless Outreach Program

June 3, 2019

Page 4

behaviors that the outreach teams should address with the homeless in order to support their transition out of the stations.

**Recommendation 6.**

*Ensure BRC's compliance when making placements by verifying client data in CARES.*

**MTA Response:**

**In Process.** MTA agrees that review of a homeless client's placement status in the CARES system will improve the effectiveness and efficiency of outreach services. MTA will incorporate this procedure into BRC's performance requirements and monitor its implementation during quarterly audit.



# State Comptroller's Comments

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1. The MTA's statement that it "already complies with this recommendation" is misleading. It was only after our audit fieldwork concluded that the MTA took these steps based on our recommendation at that time.
2. To ensure operational success, the MTA must make sure that BRC provides adequate staffing in order to maximize the ability of BRC outreach workers to access homeless clients. Staffing vacancies means fewer opportunities for BRC to assist homeless clients to appropriate shelters off MTA properties.

# Contributors to Report

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