

Fix DMV Commission

Interim Report
To Governor James E. McGreevey



August 7, 2002



**FIX DMV COMMISSION
INTERIM REPORT
TO GOVERNOR JAMES E. MCGREEVEY**

August 7, 2002

Members of the FIX DMV Commission

James Davy	Chief of the Governor's Office of Management & Operations
James P. Fox	Commissioner NJ Department of Transportation
John E. McCormac	Treasurer State of New Jersey
Bradley J. Campbell	Commissioner, NJ Department of Environmental Protection
Holly C. Bakke	Commissioner, NJ Department of Banking & Insurance
Ida L. Castro	Commissioner, NJ Department of Personnel
Peter C. Harvey	Director of criminal justice, NJ Department of Law & Public Safety
Kathryn Flicker	Assistant Attorney General in Charge of the Office of Counter-Terrorism
W. Cary Edwards	Partner, Edwards & Caldwell, former Attorney General
Stanley C. Van Ness	Partner, Herbert, Van Ness, Cayci & Goodell, former Public Advocate
John Degnan	President, Chubb Corporation, former Attorney General
Alan B. Handler	Wilentz, Goldman Spitzer, former Justice of the NJ Supreme Court

Governor James E. McGreevey established the FIX DMV Commission by Executive Order Number 19 dated April 25, 2002 to conduct a comprehensive review of the New Jersey Division of Motor Vehicles and to make recommendations on restructuring and re-engineering which will lead to a modern, citizen-oriented DMV that effectively and efficiently processes secure documents.

The Commission has conducted a comprehensive and careful review of DMV operations and policies. In addition, the Commission hosted a five-hour public hearing on July 15, 2002 at the Statehouse in Trenton. Hundreds of citizens have submitted e-mails and letters during this process.

While the FIX DMV Commission is continuing deliberations regarding significant structural, funding and operational reforms within DMV, customer service and security lapses are so widespread and significant that the Commission feels compelled to issue an interim set of recommendations. In addition, while there is consensus within the Commission that the structure of DMV agencies must be changed, the business practices and technology of DMV need to be overhauled, and a dedicated source of funding must be provided, these are complex issues upon which the Commission is not yet ready to issue its final recommendations. The public should not have to wait for these more complicated issues to be resolved before customer service and physical security improvements are made. These interim recommendations are first steps designed to immediately improve service to the public and to improve the integrity and security of DMV facilities and documents.

The FIX DMV Commission will issue an in-depth technology and modernization report in September and a comprehensive Final Report in early October. The final report will include recommendations addressing structural governance, funding, business practices including greater use of technology and web based services, customer service, security and computer modernization. The recommendations will focus on creating an organization with the structure and funding to responsibly discharge the services entrusted to the agency by the Governor, the Legislature and the citizenry.

I. Enhance Security of DMV Facilities and Documents

New Jersey has a national reputation as a title washing state, where one easily can take a flood damaged, salvage or stolen vehicle and fraudulently obtain a “clean” or usable title that allows the holder to sell and insure the vehicle at prime market value. If this were not serious enough, New Jersey is also known as one of the states with the driver license easiest to illegally duplicate. The lack of adequate security systems throughout DMV jeopardizes New Jersey's economy, road safety, and our national security. DMV is an organization in crisis and must rebuild all of its security management and operations systems including implementing:

- Effective auditing, internal control and vulnerability assessment systems that take advantage of information technology and effective management and accounting systems and practices.

- Improved investigative processes to handle administrative matters and also expedite referral of criminal matters.
- Effective use of computer and information technologies to monitor compliance with laws, regulations, and policies.
- Protective policies to allow employees to identify perceived problems, errors and wrongdoing without fear of losing their job.

These comprehensive security provisions cannot be accomplished fully in a month, or even in one year, but immediate steps can be taken. With that in mind, the Commission recommends that the following short-term recommendations be taken to bolster security, while the State develops the long-range solutions.

- **Improve Physical Security**

DMV agencies process approximately \$300 million annually, or between \$2,700 to \$11,700 daily, depending on agency volume. These same agencies also process valuable documents, including certificates of title, vehicle registrations, examination permits and driver licenses. The documents have a street market value of several billion dollars, and are the key components in crimes such as identity theft and insurance fraud. Current security protections and measures to thwart this nearly billion-dollar criminal business are haphazard, inconsistent, and completely inadequate for the magnitude of the risk.

Alarm systems, panic buttons, surveillance cameras, safes, and armed or unarmed off-duty police or security guards are deployed intermittently and haphazardly -- without any regard to overall security or a comprehensive plan. Some agencies employ only one of these measures, while others may use two or more. Only seven of the agencies have armed or unarmed security forces present, 17 are equipped with panic alarms, and 12 have cameras. Agencies do not employ or follow a three pronged approach utilizing off-duty police officers, monitoring equipment and modern alarm systems.

The FIX DMV Commission recommends that DMV immediately procure the assistance of the NJ State Police to develop a comprehensive security plan for DMV agencies that includes the use of on-site police, surveillance cameras and any other physical security improvements necessary to ensure the safeguarding of DMV facilities, documents and personnel. In addition, funding priority must be given to implementing this security plan.

- **Institute Specialized Training for DMV Employees in the Detection of Fraudulent Documents**

Training in the detection of fraudulent source identification for individuals and vehicles is critical. Failure to maintain secure documents increases the risk to national security, the economic victimization of individual citizens, and the registration/titling of vehicles as “prime” when such vehicles are actually damaged or stolen. Fraudulent document training will prepare employees to complete their tasks while ensuring high-caliber customer

service and safeguarding individual customer and public security through the detection of fraud and theft attempts.

The Fix DMV Commission recommends that DMV incorporate the AAMVA's (American Association of Motor Vehicle Administrators) model program on document fraud detection into a training program and that this effort be supplemented with an in-house DMV employee "expert" available to provide additional training to our employees.

- **Background Checks for All DMV Agency Employees**

In the wake of the September 11 terrorist attacks, an increasing number of companies and government agencies are taking steps to verify the accuracy of employee resumes and legal status. Recent arrests of several employees in DMV field offices and overall security lapses demonstrate that DMV must do a better job of vetting the individuals who handle sensitive documents and process important transactions. Presently, only the 45 DMV Agents are required to undergo background checks conducted by the NJ State Police.

The FIX DMV Commission recommends that DMV conduct background security checks by the NJ State Police and the F.B.I on all 400 plus employees working at agencies. Arrangements should be made for DMV to receive immediate notification of any offenses by an individual once employed by DMV.

- **Improve the Physical Security of the New Jersey Driver's Licenses by Making Them More Difficult to Tamper with and Fraudulently Copy**

Within recent months 40 individuals, including DMV and Agency employees have been arrested for fraudulently issuing driver's licenses to individuals who had no legal right to the license. In a number of these cases an individual who took the written test for a learner's permit was not the same individual that subsequently took the road proficiency test. New Jersey's simple paper licenses are one of the least secure driver's licenses in the nation. Stories abound within the law enforcement community of fraudulent licenses that have been produced on personal computers on college campuses to allow underage students to purchase liquor. National media accounts have indicated that two of the September 11th terrorists utilized fraudulent New Jersey driver's licenses.

Upon taking office, Commissioner Fox directed that an earlier request for proposals for development of the Digital Drivers License be delayed to allow for the inclusion of a variety of security and operational improvement measures. Of immediate concern was ensuring the RFP contained the necessary operational elements as well as security features that would reduce counterfeiting and improve identification techniques. Commissioner Fox tasked a working group from the Attorney General's Office, Department of Treasury, Division of Motor Vehicles and Office of Information Technology to develop an improved RFP.

The FIX DMV Commission recommends issuance of a RFP no later than September with the goal for awarding the contract in February.

- **Institute Identification Protocol to Verify Identification of Driver's License Applicant**

It is critical to the security of the driver's license application process for DMV to take all necessary steps to insure that the person applying for the license is, in fact, the person whose name and other identifying information will appear on the license.

To this end, Fix DMV recommends that DMV work with the NJ State Police and the Office of Counter-Terrorism to develop an identification protocol concurrent with the implementation of the Digital Drivers License.

As part of this protocol, an applicant should produce two forms of identification when applying for a license. The acceptable forms of identification should be taken from a list of approved forms of identification and could include such items as certified birth certificates, valid U.S. passports, military identification, dependent card with photo or certain types of INS identification. In addition, the applicant will also have to produce verification of resident address in the state of New Jersey. This documentation might take the form of a utility bill, lease, mortgage document etc. In the event the available technology allows, further verification can come from crosschecking with government databases such as Social Security or INS. In addition, driver's licenses for foreign nationals should expire concurrent with their visas.

II. Improve the Customer Experience

- **Encourage Use of the Internet for Service Delivery, as Increased Use will Reduce Delays in Agency Offices and Improve Service Overall. Establish an E-DMV Commission to Make Recommendations for Improving Web Services Offered by DMV**

To meet current and future customer expectations and achieve its own goals, the Fix DMV Commission recommends that DMV expand its service offerings available via the Internet. For customers, the Internet offers an alternative means of accessing information about DMV's procedures, policies, forms, documentation requirements, and frequently asked questions, without having to travel to a local DMV office. In addition to providing accurate and timely information, DMV needs to leverage the power of the Internet to offer routine services that do not require in-person authentication. By shifting more routine business to electronic channels, DMV will increase service availability and reduce customer waiting time and costs. As customers make more use of "self service" options, it should free DMV resources to help provide better-specialized services for complex transactions.

New Jersey is lagging behind other states in embracing e-Government. As the world becomes more connected and as more services are offered online, NJ DMV will need to keep pace. Citizens and businesses are demanding that government services be available through "self service" channels such as Internet, telephony, and kiosks. These alternative means of service delivery will help promote DMV as a convenient, open, and service-oriented agency.

FIX DMV recommends that DMV immediately create an E-DMV Task Force that will be responsible for developing a strategic approach regarding the type of services to implement through electronic channels. The Task Force should consider the services offered on-line by other states and solicit input from the public and business community.

- **Implement On-Going Customer Service Training for All DMV Employees who Deal Directly with the Public**

DMV is the face of State government to the citizens and businesses of New Jersey. Unfortunately, the DMV has become notorious for its chronic inability to deliver satisfactory customer service. New Jersey's residents, citizens and businesses have the right to expect and deserve service second to none. Long waiting lines at agencies and Regional Service Centers are routine. For example, it is all too common for individuals going to the Wayne Regional Service Center to wait six hours for service or be told to return the next day.

An endless stream of busy signals greets 70 percent of callers to the telephone service center. When they are finally connected callers are put on hold for an average of an additional three minutes. Thousands of callers hang up rather than endure this level of service.

The following recommendations will improve the levels of service experienced. However, they are not a panacea to the long-term problems that decades of budget neglect have caused to staffing levels and obsolete business practices. These issues will be addressed in greater detail in FIX DMV's final report.

The urgency in addressing the poor treatment is succinctly summarized in three recently received communiqués excerpted below:

May 31, 2002

...On a recent visit I personally witnessed clerks verbally harassing customers, bordering on abuse. The customer service representative were generally rude and berated clients when they were unable to complete the necessary forms or failed to fill in a blank space. In one instance I witnessed a clerk walk away from a customer and open a new line because he (customer) was trying to get them to correct an error in a document they just issued with incorrect info on it...

June 12, 2002

...When I left the Motor Vehicle Agency today I was shaking, frustrated, and I felt abused and violated. I was fed oversized helpings of governmental arrogance and disregard for logic and feasibility until I was literally sick. The three people that handled my transaction are a disgrace to those Motor Vehicle workers who are competent and who have the capacity to handle people well. Now that I've had to experience service in a Motor Vehicle Office, it's little wonder to me why virtually everyone speaks so miserably of these people. I dread the next visit I have to make to Motor Vehicles. How can this type of uncaring and disdainful attitude continue to fester?

July 6, 2002

...Give the customer service people (ha, ha customer service) training in sensitivity and awareness. We don't want to be there anymore than they do yet some act with such rudeness and smugness and insensitivity that if it were a private business they

would be axed. ... I love dealing with the ill mannered. Going to NJ MVS is similar to the Bataan Death March...

DMV agency employees must be trained in delivering customer service that is respectful, polite, informative, and accurate. No formalized ongoing training program of this nature has existed in several years. Previously, DMV had an extensive program that provided subject matter experts to deliver a consistent training program to employees as they were hired or promoted into new areas of responsibility. Hands-on training at employee work locations augmented this classroom training, but on-the-job training (OJT) was not the sole means of gaining the skills needed to do the job well. OJT relies heavily on the willingness and abilities of supervisors and/or coworkers to teach new or promoted employees and has virtually become the sole means for employees to gain the skills necessary to do their jobs.

Training should equip employees with the tools, skills, and knowledge necessary to carry out their work accurately and efficiently, while treating the customer with respect and courtesy. The training must include procedural and technical knowledge each employee requires to complete the requested service(s) and also enable the employee to provide accurate guidance to the customer concerning DMV requirements. Training in basic governing regulations, and how to use the computer systems and understand the information they contain, are essential to the success of employees in meeting the needs of the motoring public.

Customer Service training cannot be a one-time occurrence and FIX DMV recommends that a continuous training program be established and personnel be dedicated within the Director's office to coordinate and oversee this effort. DMV is also encouraged to seek guidance and advice from the business community as to how to implement and maintain such a program.

- **Staff the Information Desks at All DMV Agencies**

FIX DMV recognizes the need for a customer-friendly environment in the DMV field offices. Customer satisfaction depends on efficient and effective service at the agencies. The FIX DMV analysis has shown that field offices do not always have the required reception/information desk staffed and ready to greet and guide the public. Two responses received in the Public Hearing Process sum the situation up as follows:

July 12, 2002

...The surliness of the employees, the lack of directions as to what line to stand in, what form is required for the specific type of service needed...Have a greeter or group of greeters/receptionists just inside the door when a customer enters. That group or individual must have some training in customer service and in how to direct people to the correct line or advise them as to what form may be required...

July 12, 2002

...Have someone actually working at the information desk. This is customer service 101...

During all hours of operation customers should have access to an information desk staffed by a competent individual to answer their questions and provide direction. Having these staff members in every facility will improve the DMV Agency experience by providing each customer with a review of their documents, a queue assignment and instructions on how to complete transactions and identify needed documentation.

The FIX DMV Commission recommends that all Agencies be required to staff their information desks and maintain staffing during all hours of operation. This requirement should be included as a provision in the new DMV Agent contracts.

- **Hire and Train Sufficient Staff in DMV's Phone Center to Enable DMV to Bring its Answer Rate in Line with Acceptable Industry Norms**

Studies have shown that busy signals represent the primary frustration of most DMV customers. In response to outreach through the public hearing process one citizen's response typifies the frustration being experienced, "Your lines are always busy and once you get through you wait forever..." The Telephone Center was established to help the public, but approximately 70 percent of the callers are getting busy signals and when they do manage to get through they experience an average two to three minute wait. This translates into thousands of busy calls each month. FIX DMV has found that due to years of budget cuts the Telephone Center is understaffed by nearly 50 percent and has fallen behind the times in the acquisition of the equipment a modern, high-volume phone center requires. Even when calls are answered, a high percentage require transfer to specific areas within DMV, and since these transfer areas are also understaffed, there is a high call abandonment rate by customers.

This lack of customer service in the Telephone Center must be corrected at once. A busy signal rate of 70 percent in a public agency is not acceptable, nor is a high rate of abandonment on transferred calls. While a complete assessment of the Telephone Center is necessary, this will take longer than DMV customers should have to wait for improved service. Immediate improvements can be achieved through a commitment of resources to hire and train additional personnel.

As a long-term goal, DMV should assess the operation of the Telephone Center and take the necessary steps to convert the unit into a fully staffed, customer service oriented facility using the latest available phone center technology and business practices.

However, in the short-term the FIX DMV Commission recommends that sufficient staff be hired to enable DMV to bring its answer rate in line with acceptable industry norms. In addition, the Commission notes that employees hired into the phone center are immersed in all aspects of DMV and can provide a ready pool of trained personnel for future needs. As part of achieving a new phone center process, FIX DMV recommends that SWAT teams from corporate America be formed to advise DMV personnel with development and implementation of modern phone center operation.

- **Hire Sufficient Staff to Enable New Jersey to Offer Driver Testing within 30 to 45 days of an Appointment Request**

Due to staffing shortage resulting from years of budget cutbacks and recent discharges for improper activities, DMV driver testing centers throughout the state have been closed, consolidated, or operated with reduced hours. This means DMV may not have staff available to give customers a written or vision test in a facility that is conveniently located. Scheduling an appointment for the road skill test often takes several months when it should be done in less than one. As a result of staff shortages, customer service in this important area of DMV has deteriorated significantly below an acceptable level. Lack of adequate staffing and supervision has compromised and threatens the integrity of this function.

In the long term, DMV needs to completely overhaul the driver testing operation and establish a controlled environment that will minimize the likelihood of fraud and corruption. FIX DMV commends and endorses the efforts already underway by DMV to reduce fraud by computerizing written tests at all Testing facilities and to strengthen the driver testing control environment through continual risk assessment and increased monitoring by management. In addition, in order to improve customer service and reduce wait times DMV is encouraged to explore a pilot program to provide off-hour group testing for customers requiring the Commercial Driver License (CDL) road test. However, while these structural reform efforts are underway, DMV must immediately restore public confidence and customer satisfaction to the driver-testing program.

The FIX DMV Commission recommends that DMV immediately hire adequate staff to administer written, vision and road skill tests to the public. Sufficient staff should be hired to provide all citizens of New Jersey with a location within a reasonable travel time and the ability to schedule test appointments within 30 to 45 working days.

- **Establish Uniform Guidelines for Required Documents Across All DMV Information Mediums**

FIX DMV believes DMV has to do a better job of listening to what its customers and stakeholders have to say. In our final report FIX DMV will address in greater detail the importance of feedback from customers and proposals to institutionalize customer service communication. However, FIX DMV has taken note of numerous complaints from the public about inconsistent requirements for the types of identification necessary for DMV transactions. Complaints include the DMV website listing different requirements than the driver's manual and different, yet again, from what customers are asked for by employees in DMV field offices. This inconsistency poses an unacceptable annoyance to customers and a threat to internal security controls. E-mail received during the public input process illustrates the importance of information accuracy and consistency:

May 16, 2002

...I went to change the name on my NJ driver's license yesterday. I went on the website to find out which branches were open late and what documents I needed to have my name changed. I went to my local town hall and requested a copy of my marriage

certificate with raised seal and then proceeded to Wayne 23. I stood in line to get the paperwork. I filled out the paperwork. I stood in line to hand in my paperwork.

I was told I needed a form of ID, I gave my drivers license and he said it wasn't good enough because it didn't have my picture on it (I thought a valid driver's license was a legal form of id) I showed my Kean University id, that wasn't good enough he wanted my birth certificate. I replied that that didn't have my picture on it. I asked why the website only listed my marriage certificate being required...I drove home and obtained my birth certificate and passport (just in case). Drove back to DMV. Waited in a line that now curled around the center, and when I reached the counter I was only asked for my marriage certificate and drivers license to complete the name change...

The FIX DMV Commission recommends that DMV undertake a thorough review of its requirements for the types of identification needed for various transactions and ensure all methods of conveying these requirements to the public, whether printed materials, electronic sources or orally by employees and agents, are consistent.

- **Develop and Implement New Contracts with DMV Agents, Designed to Clearly Outline Their Duties and Hold Them Accountable for Performance**

The current DMV agent contract, in effect since 1997, does not provide an effective mechanism for DMV to manage its agents and to assure improved customer service, security and efficiency. In addition, the limits on funding for agent contracts have resulted in relatively low salary levels for the agency staff, leading to high rates of turnover, inadequately trained employees and significant potential for fraud. Currently agency staff starting salary is \$7.14 per hour, barely above the minimum wage. The terms of the contract are rigid and do not permit agents the ability to manage their offices to accommodate customer demand. The contract needs to shift focus to outcome measures that reflect customer service or performance objectives. DMV is revamping the current agreement to include performance-based incentives.

FIX DMV endorses this effort and further recommends that agent performance should be measured by: the accuracy of transactions, the amount of time a customer spends at the agency to complete a transaction, the quality of customer service and the overall appearance of the Agency.

- **Implement Improved Oversight Processes, Designed to Hold the Agents Accountable for Providing the Services They have been Contracted to Deliver in an Appropriate Manner**

The new DMV agent contract must hold agents accountable for the successful operation of agencies. FIX DMV's review of DMV operations has determined that DMV does not have sufficient staff to administer and support the contracts with its agents. While much of this situation might be remedied in the long term with the agency modernization process, immediate short-term action is also necessary. DMV needs to increase audit staff to review the internal controls and day-to-day transactions in its field offices; it needs more investigators to follow up on suspect transactions and the improper actions of

employees. In addition, DMV needs additional field monitors to evaluate the performance of field operations.

The FIX DMV Commission advocates the immediate hiring of auditors, investigators and field monitors in sufficient numbers to allow DMV to ensure the field offices are operating in accordance with the terms of their contracts and in compliance with DMV standards for security, customer service and efficiency.

- **Prepare DMV Employees for Implementation of the FIX DMV Commission Recommendations**

For the most part, DMV employees are honest, hard-working public servants who are making the best of a difficult situation. Employees are forced to work without adequate personnel, in difficult conditions and without the benefits and advantages of modern technological business practices. The success of any future DMV reforms will be enhanced by the early involvement of DMV employees in their creation and implementation.

To prepare for the structural reforms that DMV will inevitably undergo, the FIX DMV Commission recommends that employee support teams be immediately formed to assist Director Legreide in carrying out the recommendations of this Commission.