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Audit of DRPA's Senior Citizen Discount Tolling Program

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AUDIT OF SENIOR CITIZENS DISCOUNT TOLLING PROGRAM

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**DELAWARE RIVER PORT AUTHORITY
OFFICE OF THE INSPECTOR GENERAL**

AUDIT OF DRPA SENIOR CITIZEN DISCOUNT TOLLING PROGRAM

A. Objective / Scope / Methodology

The Office of the Inspector General (OIG) conducted an audit of the Delaware River Port Authority's (DRPA) Senior Citizen Discount Tolling Program (Senior Program). The audit was conducted by Angeleen Coppelino, Manager, Internal Audit, Mark Zitzler, Auditor, and Antonio Iocono, Supervisor, Cash Assurance Group. The DRPA offers a discount to senior drivers, 65 years of age and older, who have an active New Jersey E-ZPass (NJ E-ZPass) account. Enrolled senior drivers with a NJ E-ZPass account pay a discounted rate of 50% of the current passenger vehicle toll (\$3.00 based on the current toll schedule as of September 1, 2024). Although the DRPA no longer sells senior citizen discount ticket books, paper tickets are still accepted in the cash toll booth lanes. Ticket users can pay with any combination of tickets and cash totaling 50% of the current passenger vehicle toll. The Senior Program applies only to the four (4) bridges operated by the DRPA: Ben Franklin, Walt Whitman, Commodore Barry, and Betsy Ross. The audit objectives included:

- evaluating the completeness and accuracy of documented policies and procedures related to the administration of the Senior Program;
- identifying and evaluating the effectiveness of internal controls and monitoring procedures to ensure that only eligible customers are provided the discount, and to prevent program fraud and abuse;
- evaluating the availability and accessibility to the Senior Program;
- evaluating the process for communication with and monitoring of the NJ E-ZPass Customer Service Center (CSC) to ensure that the Senior Program is being administered in accordance with the Authority's requirements;
- evaluating processes for communication with customers regarding eligibility, annual renewal, and responding to customer disputes;
- evaluating the efficiency of the Senior Program processing and operations and identifying any potential opportunities for improvement;
- assuring controls over data security and access to relevant customer and account information is restricted to appropriate individuals;
- assuring appropriate expertise is available to service the DRPA's Senior System and that the system follows Information Security policies; and
- assuring retention of required supporting documentation.

The scope of our audit included all revenue and discounts associated with the Senior Program from January 1, 2021 to June 30, 2024. Based on data received from the NJ E-ZPass CSC, the average number of participants in the Senior Program from July 2023 to June 2024 was approximately 43,000 enrolled seniors, directly associated with 35,000

corresponding NJ E-ZPass accounts. The total amount of senior discounts applied from July 2023 to June 2024 via NJ E-ZPass was approximately \$2.2 million. The value of discounts applied via paper tickets appears immaterial (valued at less than \$500 in 2024).

To assist in the evaluation of the Senior Program, OIG was provided access to requested information and documentation, including:

- SOPs related to the Senior Program for the Revenue Operations Department and Information Systems;
- Applicable Summary Statement and Resolutions (SS&Rs) and Board of Commissioners minutes;
- Reports of customers from the DRPA Senior System and the CSC Vector system;
- The DRPA Senior Discount Program Application, Senior Program Renewal form, and the check list form used for communicating missing or inaccurate information for applications or renewals; and,
- Records of annual activity/usage including both NJ E-ZPass transponders and paper ticket redemptions.

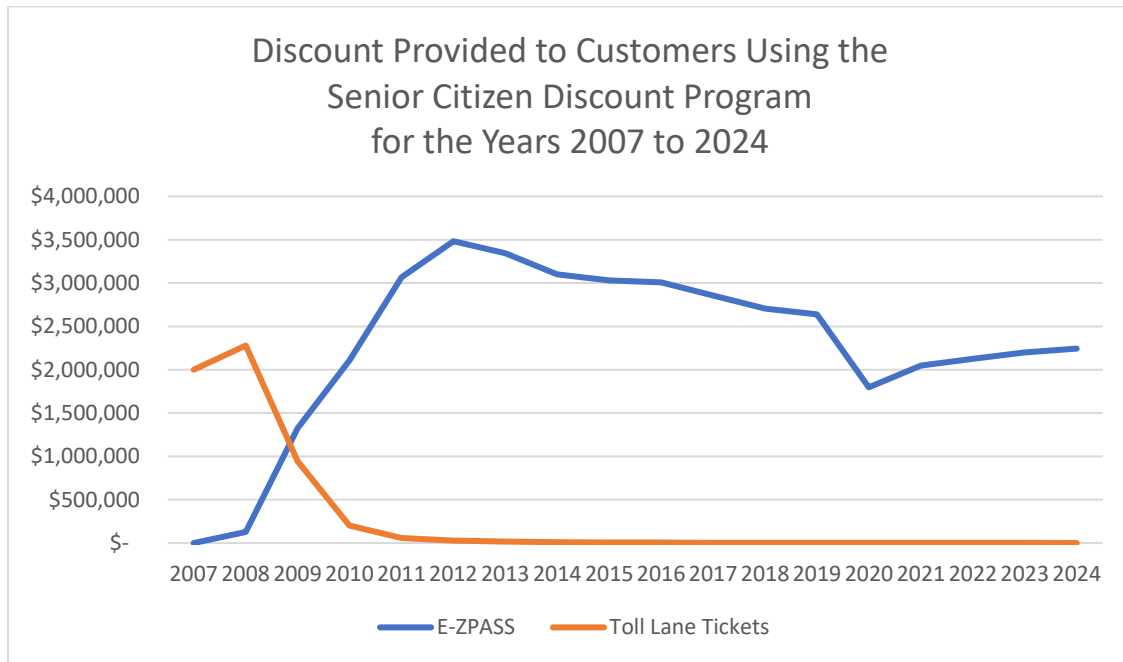
In addition to being provided the documentation noted, OIG communicated with the Toll Manager – Ben Franklin Bridge/Betsy Ross Bridge, Bridge Director – Ben Franklin Bridge/Betsy Ross Bridge, Chief Operations Officer (COO), Programmer/Analyst, and Records Manager. OIG also interacted with the Supervisor E-ZPass Technology and Toll Analysis, Revenue Operations personnel, and various Conduent Employees.

B. Background

The DRPA is one of the few local tolling agencies to offer discounted tolls to senior citizens. The Senior Program at the DRPA (originally known as the Reduced Toll Program) went into effect in May 1978. Eligible customers purchased booklets of tickets which were redeemed at the toll lanes when crossing the bridge, effectively providing a 50% reduction in the toll paid.

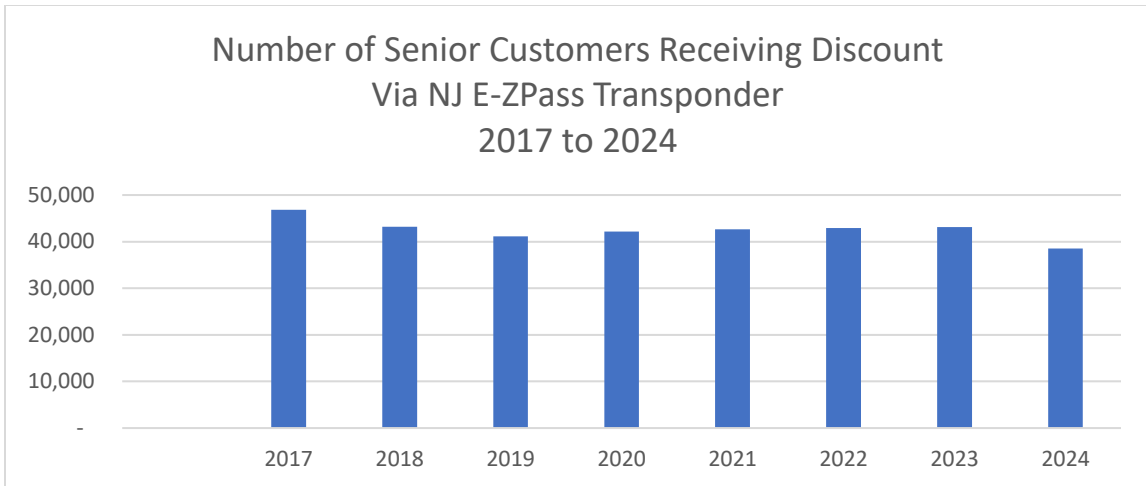
Beginning September 14, 2008, eligible seniors could enroll through the DRPA's Customer Service Center to begin receiving the discount via NJ E-ZPass transponders (SS&R DRPA-08-63: Approval of New Toll Schedule). The sale of paper tickets was discontinued as of December 31, 2008, with the exception of a small number of tickets sold in January 2009. Although SS&R DRPA-08-063 planned to eliminate the acceptance of paper tickets after September 1, 2010, SS&R DRPA-10-065: Board Consideration of Action Relating to Current Toll Discount Programs extended the acceptance of paper tickets indefinitely. Tickets continue to be accepted in the cash tolling lanes at all DRPA bridges to effectively provide a 50% reduction in the toll paid. For example, a cash tolling lane customer can present 3 senior discount tickets and \$3.00 cash as payment for a class 2 toll of \$6.00.

The use of NJ E-ZPass transponders to receive the Senior Program discount was quickly adopted by eligible customers. The value of paper tickets presented for payment in the cash tolling lanes decreased significantly from approximately \$2.3M in 2008 to \$200,000 in 2010, and less than \$1,000 per year after 2020. The chart below (created by OIG utilizing data provided by Finance) shows the total amount of the discount provided to senior citizen customers using NJ E-ZPass versus the tickets presented in the cash tolling lanes for each year from 2007 to 2024.

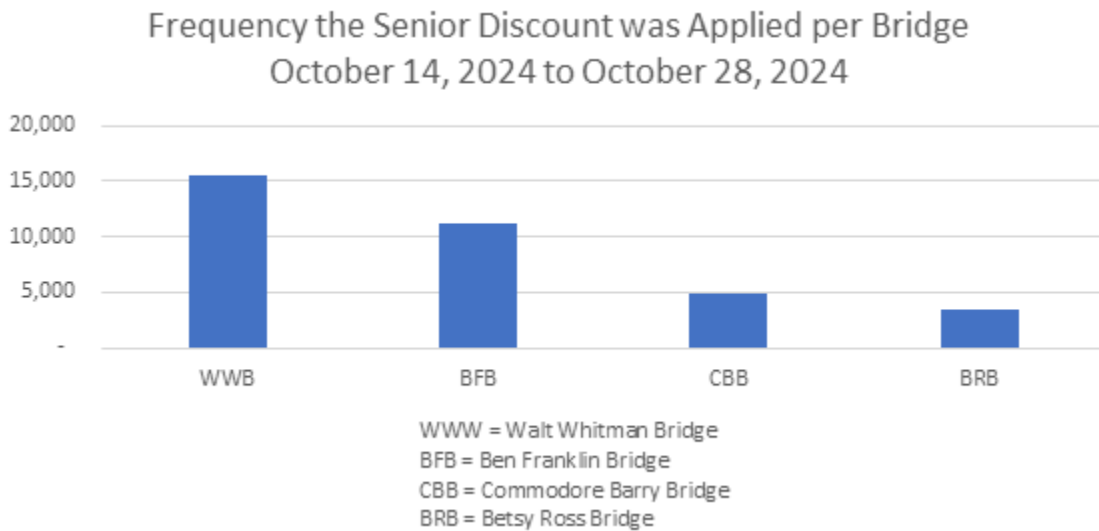


Since 2009, the majority of enrolled senior citizens utilize a NJ E-ZPass transponder to obtain the discount. The total discount using NJ E-ZPass reached a peak of \$3.5 million in 2012 and then slightly decreased each year until 2020, when there was a significant decrease to \$1.8 million due to the Covid-19 Pandemic. Subsequently, the discount has increased each year since 2020 and reached \$2.2 million in 2024. The discount made up less than 1% of the \$346M in bridge toll revenue generated in 2024.

The following chart shows the number of customers receiving the discount at the end of each year from 2017 to 2024 via NJ E-ZPass transponder per NJ E-ZPass records.



OIG obtained data of the Senior Program usage for two weeks of activity from October 14, 2024 to October 28, 2024 directly from the CSC. The discount was applied via NJ E-ZPass transponder approximately 35,000 times during that two-week period. The chart below shows the number of times the discount was applied per bridge from October 14, 2024 through October 28, 2024.



During the two week period from October 14, 2024 to October 28, 2024, 12,761 different Senior Program customers crossed the bridges 35,041 times. 12,263 customers (96.1%) crossed the bridge between 1 to 10 times during the two week period; 480 customers (3.8%) used the discount to cross the bridge 11 to 20 times; and, 18 customers (.1%) used the discount when crossing the bridge over 20 times within the two-week period. Additional data for the full year 2024 has been requested from the CSC and will be analyzed and shared with management subsequent to audit completion.

Frequency the Senior Discount was Applied per Customer October 14, 2024 to October 28, 2024		
Bridge Crossings	Number of Customers	% of Total
1-10	12,263	96.1%
11-20	480	3.8%
Over 20	18	0.1%
Total	12,761	100.0%

On January 17, 2024, the Board of Commissioners authorized the negotiation of a contract with TransCore, L.P. for the deployment and maintenance of a new toll technology system. As part of the new system implementation, options are being explored to offer an online application option with improved tracking and feedback for Senior Program applicants, automatic communication sent to customers prompting them to renew and update information as necessary, as well as improved monitoring of discount usage. Implementation is scheduled for the first quarter of 2027.

C. Audit Summary

Based on conversations with Authority management and testing performed, OIG determined that opportunities exist to limit system access within Vector and to improve monitoring of the Senior Program for enforcement of the program’s requirements and to reduce potential fraud, waste, and abuse. Administration of the Senior Program is currently a manual process with the majority of correspondence with drivers / customers occurring via mail. Management is currently considering using the technology available with the new tolling system to both improve monitoring and increase efficiency. In summary, based on the completion of our audit, the following was determined and communicated to the COO, the Bridge Director - Ben Franklin Bridge/Betsy Ross Bridge, the Toll Manager - Ben Franklin Bridge/Betsy Ross Bridge, the Chief Financial Officer, the Director, Revenue and Treasury, the Director, Information Services, and the Manager, ERP & Applications:

- The current toll technology system does not have the capability to allow enforcement of the Senior Program as designed. The Senior Program requires that senior drivers designate both an NJ E-ZPass transponder and a vehicle when registering for the Senior Program. The discount is added to the transponder within Vector. With the current toll lane technology and CSC design, there is no way to enforce that the transponder, and therefore the discount plan, is used solely by the authorized and designated vehicle and driver. This limits Revenue Operations’ ability to monitor fraud, waste, and abuse within the Senior Program. New technology is currently being evaluated as part of the new tolling system project which may include the ability to match the license plate to the transponder within the toll lane prior to applying the discount as approved customers cross the bridge. The new technology would enable the Authority to routinely validate that the

vehicle and transponder matches the driver's approved information at the time of the transaction before providing the discounted toll rate.

- A reconciliation process is not performed between accounts receiving the discount in Vector and those approved in the DRPA Senior System. A reconciliation performed as part of the audit resulted in the removal of the Senior Program discount plan from approximately 2,900 of 39,397 (7%) NJ E-ZPass accounts. OIG recommends a routine reconciliation between the two systems to help identify and address out-of-date or unapproved discounts on a timely basis.
- Opportunities exist to improve system access controls within Vector. Forty-seven individuals, including thirty-six Conduent employees and ten employees from other NJ E-ZPass agencies, have a role in Vector which allows them to add or remove the Senior Program from an NJ E-ZPass customer account. Access should be limited to one DRPA employee and a "back up" employee to minimize the opportunity of the Senior Program discount being added to an NJ E-ZPass account without appropriate authorization.
- System access controls for the DRPA Senior System are appropriate and enforced.
- Although the electronic information entered in the DRPA Senior System is retained, the hard copy applications that are received/sent by Revenue Operations in the mail for the Senior Program Renewal form, Senior Program check list and Senior Discount Program Application, along with the supporting documentation, are not retained and are shredded the following day once it is confirmed that the information is uploaded from the Senior System to the Vector System. A plan should be developed for record storage (both hard copy and electronic) to ensure that retained documentation is organized, secure, and available for future reference.
- The requirement for customers to renew/confirm eligibility annually was paused during the Covid-19 Pandemic in 2020, then reinstated in September 2023. This process should continue to be performed at least quarterly to ensure that only eligible customers receive the discount. Customers who do not provide updated documentation within the prescribed timeframe should have the discount removed.
- Correspondence with drivers for the DRPA Senior Program is mostly through the US mail, which is a long, manual process and is difficult to track documentation. Bridge Operations is considering the move to an electronic application and renewal process during the tolling system upgrade to improve tracking documentation, decrease the time it takes for customers to receive the discount, and potentially reduce costs associated with manual processes.
- Although drivers from Pennsylvania and Delaware are eligible for the DRPA Senior Program, they must have an NJ E-ZPass account to receive the discount. OIG recommends that the Chief Operating Officer explore options for working with the Pennsylvania Turnpike Commission to allow PTC E-ZPass transponders to be utilized for accessing the DRPA Senior Program.
- The sale of paper tickets for the Senior Program was discontinued in 2009, however, the tickets are still accepted at the cash tolling lanes. OIG recommends, and Management has agreed to take the necessary steps to end the acceptance of

paper tickets since the usage is minimal and presents an opportunity for fraud since the tickets can be easily copied or counterfeited. An SS&R (DRPA-25-057, Modernization of the Senior Citizen Discount Program) was presented to and approved by the Authority's O&M Committee at the August 5, 2025 meeting, and will be subsequently presented to the Board of Commissioners at the August 20, 2025 meeting, recommending approval that the Authority cease the acceptance of the paper tickets effective September 1, 2025.

- The IS Programmer/Analyst is the only DRPA employee with technical knowledge of the DRPA Senior System. At least one other IS employee should be trained about the technical aspects of the DRPA Senior System to help ensure business continuity, reduce downtime, and improve efficiency in the case of absence.
- Policies and procedures are documented and controls are in place to review and process both new applications and renewals for the Senior Program. Opportunities to augment existing internal controls, in particular for monitoring controls, have been recommended and should be added to documented policies and procedures as implemented.

These summarized findings, and associated recommendations and management's corrective actions, are presented in more detail within the report.

D. Availability and Accessibility of the Senior Citizen Discount Program

The Senior Program is available to all senior drivers, 65 years of age and older, with a vehicle registered in the states of New Jersey, Pennsylvania, or Delaware. A non-commercial NJ E-ZPass account is required to receive the discount. Opportunity exists to explore expanding the Senior Program to allow Pennsylvania customers to receive the discount utilizing a Pennsylvania Turnpike Commission (PTC) E-ZPass transponder to make accessibility easier for residents in Pennsylvania that may already have a PTC E-ZPass account. Opportunity also exists to discontinue the acceptance of paper tickets as their usage is minimal, tickets are more easily counterfeited, and purchases stopped more than fifteen years ago.

To enroll in the Senior Program, seniors must complete the Senior Program Application and submit the application via mail or email to DRPA Revenue Operations. Enrolling seniors must provide a copy of a valid, legible vehicle registration and driver's license, both in the name of the applicant. The senior must also have a non-commercial NJ E-ZPass account, and the registered vehicle must be listed on that account. Although the Senior Program is available to drivers with vehicles registered in Pennsylvania and Delaware, only NJ E-ZPass transponders can be set up to apply the discounted toll. Senior drivers with a PTC E-ZPass account would need to switch to an NJ E-ZPass account to receive the discount. (See **Audit Finding #1**).

The chart below shows the number of DRPA Senior Program enrolled transponders by state of customer residence as of November 2024:

State of Customer Residence	Number of Transponders with DRPA Senior Discount Program	% of Total
NJ	25,030	66.9%
PA	11,917	31.8%
DE	457	1.2%
Other	24	0.1%
Total	37,428	100.0%

As mentioned in the background section, paper tickets are still accepted at the cash toll lanes. Although SS&R DRPA-08-063 planned to eliminate the acceptance of paper tickets after September 1, 2010, SS&R DRPA-10-065: Board Consideration of Action Relating to Current Toll Discount Programs extended the acceptance of paper tickets indefinitely. The usage of the paper tickets has become immaterial since all new applications as of early 2009 require customers to utilize NJ E-ZPass to receive the discount. The amount of paper tickets redeemed for the discount has been under \$1,000 per year since 2020 and was under \$500 in 2024. In addition, the paper tickets present an opportunity for fraud since they can be easily copied or counterfeited. (See **Audit Finding #2**).

Audit Finding #1: Although seniors from Pennsylvania and Delaware are eligible for the DRPA Senior Program, they must have an NJ E-ZPass account to receive the discount. Senior drivers with a PTC E-ZPass account would need to switch to an NJ E-ZPass account to receive the discount.

Audit Recommendation #1: OIG recommends that the COO explore options for working with the Pennsylvania Turnpike Commission to allow PTC E-ZPass transponders to be utilized for accessing the DRPA Senior Program.

Management Response #1: The COO concurs with the finding and recommendation. Coordination with the Pennsylvania Turnpike is being considered and the COO will work with the Pennsylvania Turnpike Commission to explore options to allow PTC E-ZPass transponders to be utilized for accessing the DRPA Senior Program. The COO plans to initiate discussion with the Pennsylvania Turnpike by August 31, 2025.

Audit Finding #2: The sale of paper tickets for the Senior Program was discontinued in 2009, however, the tickets are still accepted at the cash tolling lanes. The amount of paper tickets used for the discount has been under \$1,000 per year

since 2020 and was under \$500 in 2024. In addition, the paper tickets present an opportunity for fraud since they can be easily copied or counterfeited.

Audit Recommendation #2: OIG recommends that the COO, in coordination with the Chief Executive Officer and General Counsel, explore the necessary steps for formally ending the acceptance of paper tickets for the Senior Program.

Management Response #2: The COO concurs with the finding and recommendation. An SS&R (DRPA-25-057, Modernization of the Senior Citizen Discount Program) was presented to the Authority's O&M Committee at the August 5, 2025 meeting, and subsequently presented to the Board of Commissioners at the August 20, 2025 meeting, recommending approval that the Authority cease the acceptance of the paper tickets effective September 1, 2025.

E. IT Systems - Data Security and Technical Expertise

Overall, opportunities exist to improve system access controls within Vector by limiting the number of individuals outside of the DRPA that can add/edit the Senior Program to NJ E-ZPass customer accounts. System access to the DRPA Senior System is appropriately restricted. Designating and training an additional DRPA IS employee as a back-up system administrator is recommended.

DRPA Senior System

Revenue Operations uses the DRPA Senior System, a DRPA developed database, to enter, store, and track information for approved Senior Program applicants. Once an application has been approved, the Revenue Operations Clerk will enter the E-ZPass account number, E-ZPass tag (transponder) number, first name, last name, address, city, state, zip code, phone number, email address, license plate number, state of license plate, and vehicle registration expiration date into the DRPA Senior System. There are four DRPA employees that have access to the DRPA Senior System. The IS Programmer/Analyst is the System Administrator and the other three are Revenue Operations employees. Access is appropriate based on job function. The IS Programmer/Analyst is the only DRPA employee with technical knowledge of the DRPA Senior System. (See **Audit Finding #3**).

Granting and terminating access to the DRPA Senior System is initiated by the Toll Manager, Ben Franklin Bridge/Betsy Ross Bridge and forwarded to the IS Programmer/Analyst. The IS Programmer/Analyst implements the changes based on the request.

The DRPA Senior System operates under existing Authority IS policies. OIG inquired of the IS Programmer/Analyst about the password security to log onto the Senior System. The use of passwords, and password security controls, are enforced. The Senior System

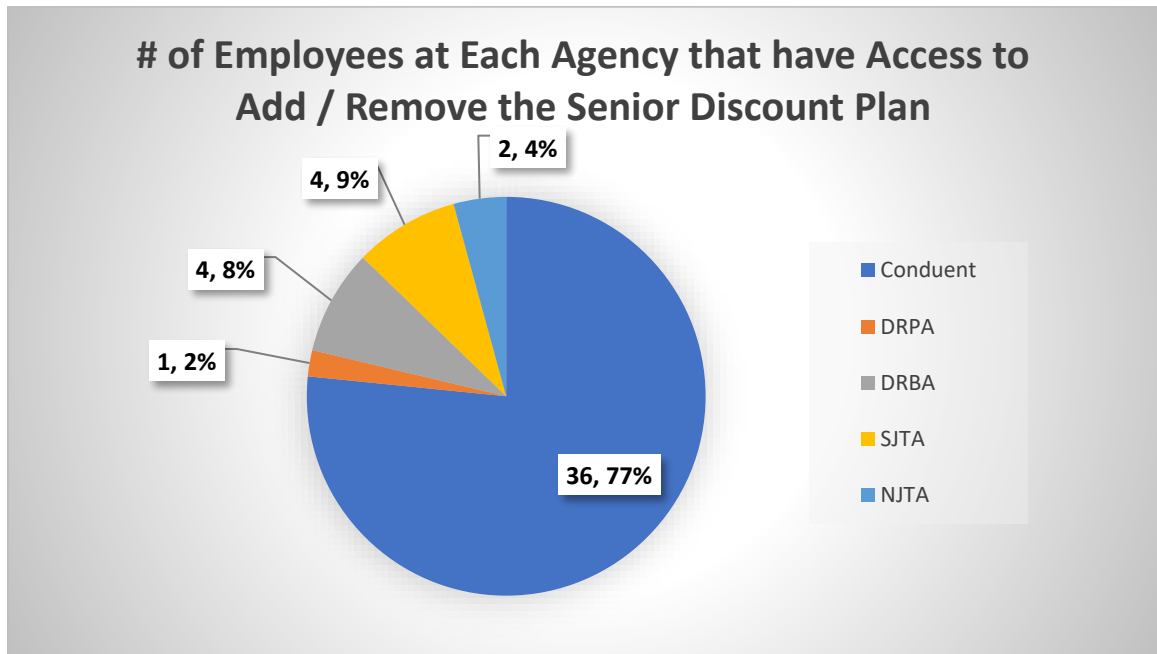
database is backed up regularly as part of the DRPA standard practices for all IT systems on the Authority's network.

Vector System (NJ E-ZPass)

The NJ E-ZPass Customer Service Center (CSC), consisting of the Authority and five other New Jersey tolling agencies (the E-ZPass Group), engages Conduent Business Services, LLC (Conduent) to perform the administrative functions associated with recording, reporting, and collecting toll revenue earned through the electronic tolling system. The software system used by Conduent to maintain NJ E-ZPass customer accounts and process toll transactions for the NJ E-ZPass Group is known as Vector. Vector is controlled by Conduent, with access granted to users at the various NJ E-ZPass Group agencies. The DRPA Senior Program must be applied to a customer account and specific transponder within Vector for the customer to receive the related discount.

Data Security – Vector System Administrator Roles

System access in Vector is role-based. All discount plans (including the DRPA Senior Program) for NJ E-ZPass agencies are associated with the same role within Vector. Therefore, access to this role enables the user to add any plan (including one from another agency) to a customer's NJ E-ZPass account. Conduent provided the number and identity of individuals that have access to add or remove the DRPA's Senior Program discount in Vector. The chart below shows the number of employees at Conduent and each NJ E-Z Pass agency that has access to add or remove the Senior Program from a customer's account:



There are 47 individuals with access to add or remove the Senior Program from a customer's account, which includes 36 Conduent employees, one DRPA employee, four DRBA (Delaware River and Bay Authority) employees, four SJTA (South Jersey Transportation Authority) employees, and two NJTA (New Jersey Turnpike Authority) employees. (See **Audit Finding #4**).

Audit Finding #3: The IS Programmer/Analyst is the only DRPA employee with technical knowledge of the DRPA Senior System.

Audit Recommendation #3: OIG recommends that the Director – Information Services designate at least one other IS employee that is knowledgeable about the technical aspects of the DRPA Senior System to help ensure business continuity, reduced downtime, and improved efficiency in the case of absence.

Management Response #3: The Director – Information Services concurs with the finding and recommendation. The Director – Information Services will designate and train at least one other IS employee about the technical aspects of the DRPA Senior System to act as a backup resource. If a new application is developed as part of the new toll technology system implementation, the existing application will be sunset in favor of the new application. The target date for identification and training of a second IS employee to support the existing internal Senior System is August 31, 2025.

Audit Finding #4: 47 individuals, including 36 Conduent employees and 10 employees from other NJ E-ZPass agencies, have a role in Vector which allows them to add or remove the DRPA Senior Program from an NJ E-ZPass customer account. There is currently no alert to the DRPA if the discount is added or removed directly in Vector. This increases the opportunity for the discount to be added or removed inappropriately and may allow unauthorized individuals to take advantage of the discount.

Audit Recommendation #4: OIG recommends that the CFO, in consultation with the COO, work with Conduent to limit the access to add or remove the DRPA Senior Program within Vector. Access for the DRPA should be limited to one DRPA employee and a back up to minimize the opportunity of the Senior Program to be added without authorization. Access to add or remove the Senior Program by employees from other NJ E-ZPass agencies should be removed completely and access by Conduent employees should be reduced or removed.

Management Response #4: The CFO concurs with the finding and recommendation. The CFO will coordinate discussions with both the COO and Conduent to discuss options for limiting access to add / remove the DRPA Senior Discount Plan within Vector to only one (or two) DRPA employees and a limited number of Conduent employees as required to provide appropriate service to DRPA customers. Discussions will be initiated prior to August 31, 2025.

F. Administration and Monitoring

Overall, the current toll technology system does not have the capability to allow enforcement of the Senior Program as designed. In addition, reconciliation between approved customers and customers actually receiving the discount is not performed to identify inappropriate usage. Opportunities also exist to standardize and automate the annual Senior Program renewal process, as well as document tracking and retention. Policies and procedures are documented and controls are in place to review and process both new applications and renewals for the Senior Program.

The Senior Program is the responsibility of the COO, the Bridge Director – Ben Franklin Bridge/Betsy Ross Bridge and the Toll Manager – Ben Franklin Bridge/Betsy Ross Bridge. The Senior Program is currently supported by three Revenue Operations Clerks and is managed from the Toll House at the Ben Franklin Bridge. The Revenue Operations Clerks are responsible for processing applications and renewals, as well as addressing customer service calls.

There is no separate budget for the Senior Program. The table below shows the estimated costs associated with the Senior Program for 2024 and projected for 2025:

Costs Associated with Senior Program	2024 Costs	2025 Estimates
Senior Discount Toll Reduction	\$ 2,244,310	\$ 2,524,848*
Salary of Revenue Operations Clerks (3 FTEs)	\$ 300,238	\$ 334,105
Cost of Stamps to Mail Renewal Request **	\$ 27,254	\$ 27,254
Total	\$ 2,571,801	\$ 2,886,207

Other costs not included are Printshop costs, postage for mailings other than mail renewal requests, Manager salary allocation, and IS costs.

* Based on 2024 traffic.

**Based on # of active employees in Senior System and \$.73 per stamp.

In addition to Revenue Operations, questions regarding the DRPA Senior Program may also be received by DRPA Customer Service. For the time period January 1, 2025 through June 9, 2025, Customer Service received 2,835 calls/emails, of which 1,131 (40%) were related to the Senior Program. Of the 1,131 calls/emails received, 360 (32%) were customer account related and were forwarded to Revenue Operations. Customer Service was able to answer the remaining calls/emails which were typically related to the application process.

Senior Program Application Process:

Applicants send the completed Senior Program Application along with photocopied or scanned versions of their vehicle registration and driver's license to Revenue Operations via US mail or email. The information on the application includes the customer's NJ E-ZPass account number, NJ E-ZPass tag (Transponder) number, First Name, Middle Initial,

Last Name, Address, City, State, Zip Code, Phone Number, and Email Address. When the application is received by the DRPA Revenue Operations Clerk, the clerk searches in the Vector System by the NJ E-ZPass Account number to verify that the information in Vector (transponder number, registered vehicle, plans, and notes) matches up to the information that the customer sent in on the application. After verifying the information matches between the application and Vector, the DRPA Revenue Operations Clerk then enters the information from the application into the Senior System as a new customer. The specific information entered is the NJ E-ZPass account number, NJ E-ZPass tag (Transponder) number, First Name, Last Name, Address, City, State, Zip Code, Phone number, Email Address, License Plate Number, State of License Plate, and Vehicle Registration Expiration Date.

At the end of each day, one of the Revenue Operations Clerks runs an extract file that includes the accounts added since the last extract file was processed. The file is uploaded into a DRPA drop folder which Conduent has access to. From there, Conduent uploads the file into the Vector System. Once the file is uploaded, a report is sent from Conduent to the Revenue Operations Clerks to show which accounts have been processed or not processed. The accounts that have been processed have been uploaded into Vector to include the Senior Discount and the ones that have not been processed are reviewed by the Revenue Operations Clerks. Once the Revenue Operations Clerks receive the confirmation report of the accounts that have been uploaded into Vector, the hard copy documentation for the application is shredded. (See **Audit Finding #5**). If the application is received by the Revenue Operations Clerk through email, no further steps are taken to either intentionally save or delete the application files.

Note – The date of birth from the driver’s license is not entered on the application or in the Senior System, but the DRPA Revenue Operations Clerk uses this as a reference to verify that the customer is over 65 and eligible for the Senior Program. The license plate number, state of the license plate, and vehicle registration expiration date from the vehicle registration are not entered on the application by the customer, but are entered into the Senior System by the DRPA Revenue Operations Clerk. (See **Audit Finding #5**).

Senior Program Checklist (incomplete applications) Process:

A checklist is used by Revenue Operations as a standard form to send back to the customer if there is missing documentation or information when an application is received. The form has a list of explanations as to why the application was rejected and it is mailed back to the customer to request additional information for approval or notify them of denial. The Revenue Operations Clerks mail the initial application and all supporting documents back to the customer along with the send-back form. No documents are retained. (See **Audit Finding #5**). The customer must mail the requested information back to Revenue Operations in order to process the application.

Senior Program Renewal Process:

Senior Program customers are required to renew their Senior Program eligibility annually, based on the vehicle registration expiration date. Each month, Senior Program Renewal forms are mailed from the DRPA mailroom to each customer that has a vehicle registration renewal date for that month. The Senior Program Renewal forms are prepopulated with the customers' NJ E-ZPass transponder number, but the customer must fill in their NJ E-ZPass account number. The customer is required to mail, fax, or email the completed form along with a copy of their driver's license and vehicle registration. Once the Revenue Operations Clerk receives the required information, the vehicle registration date is updated in the Senior System to indicate when the next Senior Program Renewal form will be mailed out, which will be a year after the registration / renewal date.

Approximately once every three months at the direction of Revenue Operations, the IS Programmer/Analyst runs an update statement in the Senior System to archive customers whose vehicle registration dates have not been updated. Additionally, the IS Programmer/Analyst extracts a file containing the customers who did not have their vehicle registration dates updated and sends it to Conduent for the information to be processed in the Vector system so the customers will no longer receive the discount. In 2020, there was a pause in archiving the customers due to the Covid Pandemic. The process resumed in 2023. (See **Audit Finding #6**).

The current process for communicating with customers and processing applications is manual and paper intensive. The majority of communications are printed via the Print Shop and sent to customers by mail. There is no ability to electronically track the status of new applications or the average timeline to process an application. (See **Audit Finding #7**).

OIG obtained and reviewed applicable policies and procedures related to the Senior Program. Both Revenue Operations and IS have documented Standard Operating Procedures (SOPs) for their roles related to the Senior Program. Revenue Operations SOPs include entering an application, renewing a customer, and troubleshooting. IS SOPs include the system process for adding a new customer, renewing an existing customer, and removing customers that do not provide the required renewal documentation. Both Revenue Operations and IS are in compliance with the existing SOPs.

The current program design requires that senior drivers designate both an NJ E-ZPass transponder and a vehicle when registering for the Senior Program. The discount is added to the transponder within Vector. With the current toll lane technology and CSC design, there is no way to enforce that the transponder, and therefore the discount plan, is used solely with the designated vehicle. License plate images are discarded by the CSC once it is determined that the transaction can be charged to a valid transponder. In addition, license plates are not associated/linked with a specific vehicle on the customer's NJ E-ZPass account and there are no reports in Vector that list the license plate number and associated transaction for the Senior Program. Therefore, OIG was unable to perform testing to determine the number of transactions in which a transponder programmed with the Senior

Program may have been used in a vehicle other than the one approved. (See **Audit Finding #8**).

Reconciliation and Removal of Senior Program from Unapproved Accounts

To test that only eligible customers were provided the discount, OIG obtained reports from the Senior System on November 1, 2024 and the Vector System on November 12, 2024. The reports showed each transponder listed for each eligible customer with the Senior Discount. There were 39,397 active transponders with the senior discount listed in the Vector system and 37,334 in the Senior System. OIG completed a reconciliation of the transponders for each customer between the Senior System and the Vector System. 3,311 transponders (8%) out of 39,397 in Vector have the DRPA discount, but are not listed as active in the Senior System. 2,115 transponders (6%) out of 37,334 in the Senior System are not listed in Vector. (See **Audit Finding #9**) Revenue Operations reviewed the list and addressed the accounts as applicable in the first quarter of 2025. The chart below shows the action taken for the transponders that were in Vector, but not in the Senior System. About 89% of the transponders had the Senior Program removed from Vector either because the transponder was never updated or there was no record of the transponder in the Senior System. The remaining 11% did not need any action taken and were only temporarily out of sync due to the timing of the reports from the two systems.

Action taken	Number of Transponders	% of Total
Removed from Vector: Transponder Never Updated	2,026	61.2%
Removed from Vector: No record in the Senior System	906	27.4%
Account current and correct: No action needed	379	11.4%
Total	3,311	

Revenue Operations also identified three retired Authority employees and one Authority current employee that were receiving the discount in Vector, but for whom no record of application was located. Further research by OIG disclosed that the discount for these individuals was entered directly into Vector by a DRPA employee, bypassing the standard process of application review and data entry into the DRPA Senior System by Revenue Operations. The discount was removed for all transponders on the account of all four individuals, and an application was sent to them by mail.

OIG reviewed the ages of the individuals at the time the discount was granted, noting that only one individual was less than 65 years of age. OIG conducted interviews, reviewed email correspondence, and reviewed NJ E-ZPass account activity and determined that the Senior Program was added to that individual’s account in error. The original request was to add the DRPA Discount Plan (aka frequent commuter plan) to all four transponders on the account, which does not require any additional approval and can be added by the NJ E-ZPass account holder via his or her online account access. OIG calculated the value of the discount applied in error to be approximately \$300 and Finance will request reimbursement from the employee. OIG had recommended adding a secondary review for changes made by DRPA employees in Vector as part of a previous audit (Audit of Revenue Audit – November 21, 2018, Recommendation #12). This recommendation was never

implemented by Finance management. A secondary review would be helpful in identifying both errors and potential fraud before changes are processed, (See **Audit Finding #10**). Finance management is currently working to implement this recommendation.

Audit Finding #5: Although the electronic information entered in the Senior System is retained, the hard copy applications that are received by Revenue Operations in the mail for the Senior Program Renewal form, Senior Program check list and Senior Program Application along with the supporting documentation are not retained. All originating documents are shredded the following day once it is confirmed that the information is uploaded from the Senior System to the Vector System. The applications that are received via email are neither intentionally saved or deleted. These forms are not listed on the records retention schedule.

Additionally, there are currently no line items to add the customer's birth date, license plate number, license plate state, or vehicle registration expiration date on the Senior Program Application.

Audit Recommendation #5: OIG recommends that the Bridge Director and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge, with responsibility for the Senior Program, coordinate with the Records Manager to add the applicable documents to the Authority's Record Retention Schedule. A plan should be developed for record storage (both hard copy and electronic) to ensure that retained documentation is organized, secure, and available for future reference. Source documents, including signed applications, should be retained and accessible to support approval to receive the discount and address any subsequent issues that may arise. This recommendation has been communicated to and is supported by the Records Manager, Office of the Corporate Secretary.

Additionally, the Bridge Director and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge should consider adding lines on the Senior Program Application to include the customer's birth date, license plate number, license plate state, and vehicle registration expiration date. This information would be available on the signed application, and photocopies of the customer's driver's license and vehicle registration would not need to be retained after the initial verification and approval by the Revenue Operations Clerks.

Management Response #5: The COO, Bridge Director, and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge concur with the finding and recommendation. The hard copy documentation has been retained since requested at the beginning of this audit. Beginning in October 2025, new applications and renewals will be scanned and retained, as well as hard copies. Additionally, lines will be added on the Senior Program Application to include the customer's birth date, license plate number, license plate state, and vehicle registration expiration date. The Bridge Director and Toll Manager – Ben Franklin Bridge / Betsy Ross Bridge will coordinate with the Authority's Records Manager to add the applicable documents

to the Authority's Record Retention Schedule and to update the Senior Program Application as recommended by October 31, 2025.

Audit Finding #6: The process to request customers to renew/confirm eligibility annually and, to remove customers who did not send the required documentation, was paused during the Covid-19 pandemic in 2020. This process was reinstated in September 2023. This process limits or mitigates the misassignment of the senior discount. The current SOP does not contain a consistent timeline for deactivating the Senior Program.

Audit Recommendation #6: OIG recommends that the Bridge Director and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge, with responsibility for the Senior Program, standardize the frequency of the process to remove the Senior Program for customers that do not provide the required renewal information. OIG recommends performing this process at least quarterly to ensure that only eligible customers receive the discount. Additionally, the timeline for archiving accounts that are not renewed should be added to the Renewal SOP.

Management Response #6: The COO, Bridge Director, and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge concur with the finding and recommendation. The frequency of the process to remove customers who did not send the required documentation will be standardized on a quarterly basis effective immediately.

Audit Finding #7: Applications and renewals for the DRPA Senior Program are mostly submitted through the US mail which is a long, manual process and is difficult to track documentation. Movement away from the manual application process and toward an electronic, web-based application process should be investigated and considered for implementation to allow for improved efficiency and record keeping.

Note: As part of the new tolling system project there is a tolling upgrade in consideration which could include the move to an electronic application that can be completed on-line and allow for the upload of supporting documentation.

Audit Recommendation #7: OIG recommends that the COO continue to explore the move to an electronic application and renewal process for the DRPA Senior Program in connection with the tolling system upgrade. An online system would improve the process of tracking documentation, decrease the time it takes for the customer to receive the discount, and potentially reduce costs associated with manual processes.

Management Response #7: The COO concurs with the finding and recommendation. The process of moving to an electronic application and renewal process for the DRPA Senior Program has been discussed during the design phase of the new tolling system project and is expected to be implemented when the

tolling system is complete and functionally implemented. Current target date for the new tolling system implementation is March 31, 2027.

Audit Finding #8: The current tolling system does not have the ability to enforce compliance between license plate and transponder. There is no way for the DRPA to ensure that the transponders authorized with the Senior Program are being used with the approved registered vehicle.

Audit Recommendation #8: OIG recommends that the COO, in consultation with the CFO, continue to explore the new technology associated with the new tolling system project which may include the ability to match the license plate to the transponder within the toll lane as approved customers cross the bridges. In addition, implementation of routine system / account reconciliations between Vector and the DRPA Senior System (see **Audit Recommendation #9**), as well as timely account renewal processing (see **Audit Recommendation #6**), would help to mitigate the risk.

Management Response #8: The COO concurs with the finding and recommendation. The COO will work with the CFO to explore the options available for implementing validation and enforcement of the approved license plate and transponder in order for the customer to receive the discounted toll. This requires coordination between the toll system at the Authority and the CSC. Full automated matching may not occur until after the new toll system implementation, which is targeted for go-live in March 2027. The COO will provide an update quarterly regarding progress beginning on September 30, 2025.

Audit Finding #9: 4,203 transponders (11%) out of 39,397 in Vector have the DRPA discount, but are not listed as active in the Senior System. 2,115 transponders (8%) out of 37,334 in the Senior System are not listed in Vector. The transponders should match between the Senior System and the Vector System to assure that only authorized customers are receiving the Senior discount.

Audit Recommendation #9: OIG recommends that the Bridge Director and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge implement the performance of a reconciliation between the transponders in the DRPA Senior System and the transponders coded with the DRPA Senior Program in Vector quarterly, but no less than semiannually, to ensure only authorized customers are receiving the discount. (Note: The list of (unmatching transponders was sent to Revenue Operations in January 2025. Revenue Operations has completed a review of the transponders in Q1 2025 and documented the cause and action taken to resolve the issues.)

Management Response #9: The COO, Bridge Director, and Toll Manager - Ben Franklin Bridge / Betsy Ross Bridge concur with the finding and recommendation. The reconciliation between the transponders in the DRPA Senior System and the transponders coded with the DRPA Senior Program in Vector will be performed on

a quarterly basis starting with data as of September 30, 2025, and performed during October 31, 2025.

Audit Finding #10: The Senior Program discount was entered directly into Vector and applied to an employee account in error. The error was identified as part of the audit. There is not currently a control requiring a secondary review or approval of changes entered directly into Vector pertaining to discount plans or toll adjustments.

Audit Recommendation #10: OIG recommends that a secondary review be implemented within Finance to review/approve any changes directly entered into Vector that affects the Senior Program and/or toll adjustments.

Management Response #10: The CFO concurs with the finding and recommendation. Review / approval by the Director, Revenue and Treasury will be implemented prior to any changes being directly entered into Vector. Additionally, a monthly report of all changes in Vector will be requested by Finance from the CSC to be reviewed by the Director, Revenue and Treasury on a monthly basis (a copy of this monthly report will be forwarded to the Office of the Inspector General). Both new processes and controls will be formally documented within Finance procedures. Target date for implementation of both the approval process and review of first monthly report is September 30, 2025.