



Department of Legislative Services  
Office of Legislative Audits

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**Department of Transportation  
Motor Vehicle Administration**

Report dated October 19, 2007

Presentation to  
Senate Budget and Taxation Committee

Public Safety, Transportation, and Environment  
Subcommittee

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### Audit Overview

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- MVA maintains a headquarters and 24 branch offices throughout the State and manages the eMVA store, used for online processing of MVA transactions. MVA collected \$1.3 billion during FY 2006, primarily consisting of motor vehicle excise taxes and registration fees.
- Current audit report included 25 findings. Twelve findings from our preceding audit report were repeated (as eleven findings) in our current report.
- We determined that MVA's accountability and compliance level was unsatisfactory.



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### Key Audit Issues

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- MVA policies and procedures were not sufficient to address Ignition Interlock Program (IIP) violations. As a result, MVA failed to take appropriate follow-up action for certain individuals who violated the terms of the program.
- Procedures and controls over driver licensing transactions were not sufficient to ensure that only proper licenses were issued.
- MVA did not process license suspensions and revocations, or ensure that related appeals were conducted, timely. In addition, adequate steps were not always taken to suspend the driver's licenses of individuals repeatedly in arrears in making child support payments.



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### Key Audit Issues (continued)

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- Titling and registration late payment fines totaling \$824,000 due from dealerships were waived without a review of the related documentation, and audits of vehicle titling and registration transactions processed by dealerships were not comprehensive.
- Vehicle registrations were not suspended timely when lapses in insurance coverage were identified and the related penalties were not assessed and recovered timely in accordance with State regulations.
- Numerous security and control deficiencies were noted with the *eMVA Store*, which provides online services to the public, resulting in the vulnerability of certain sensitive personal and financial information of *eMVA Store* customers.



## Ignition Interlock Program

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- Since 1988, State law provided for an ignition interlock device to help prevent individuals convicted of alcohol-related driving violations from driving while intoxicated. In 1996, the Maryland Ignition Interlock Program (IIP) was established to formalize the monitoring process.
- Drivers are enrolled in the IIP as a result of a court order, administrative hearing order, MVA Medical Advisory Board recommendation, or may voluntarily enroll in lieu of and/or in conjunction with a reduced driver's license suspension or revocation.
- State law and MVA policies and procedures generally provide for MVA to administer the program.
- As of March 2007, there were 4,336 individuals actively enrolled in the IIP.



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### Ignition Interlock Program (continued)

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- MVA policies and procedures were not sufficient to address IIP violations (Findings # 1 & 2). For example, the policies and procedures did not:
    - Adequately specify the progressive corrective actions to be taken against IIP violators or require supervisory review of decisions made by caseworkers.
    - Require the IIP unit to be notified of pertinent license activity that was recorded in the MVA driving records of IIP enrollees.
    - Include any review of violation reports for court-ordered IIP participants even though State law provides for MVA to monitor.
    - Adequately ensure that individuals assigned to the IIP had the interlock devices installed on their vehicles and adequately account for IIP violation reports received from vendors.
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### Ignition Interlock Program (continued)

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- Our review of 20 individuals enrolled in the IIP, as of May 2005, disclosed that:
    - 11 had between 5 and 43 significant violations, including failing blood alcohol tests and refusing mandatory rolling retests.
    - MVA did not take sufficient follow-up actions (such as reinstating the license suspension or revocation) for any of the aforementioned individuals. Rather, those who had completed the term of the IIP, were notified that they had “successfully completed” the program and were returned to a normal driving status.
    - 2 had speeding violations while on the program in vehicles that did not have ignition interlock devices installed; however, the IIP unit was not aware of these violations, and both of these individuals continued in the IIP.
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### Driver Licensing

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- Required documentation (such as proof of identity and residency) was not always obtained to support the propriety of the licenses issued and daily supervisory reviews of licensing transactions were not always being performed, in accordance with MVA policy. (Finding #3)
  - MVA's driver's license database included approximately 280 driving records with SSNs recorded on at least one other driving record. (Finding #4)
  - MVA did not adequately analyze available data to identify possible errors or fraudulent licenses and personal identification cards (ID cards):
    - 130 licenses and ID cards were issued to individuals with ages ranging from 102 to 348 years.
    - 16 licenses were issued using the SSNs of deceased individuals.
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### License Suspensions & Revocations

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- License suspensions and revocations were not always imposed in a timely manner and procedures were not adequate to help ensure that hearings related to appeals of suspension and revocation decisions were conducted by the Office of Administrative Hearings in a timely manner. (Finding #5)
- MVA did not take adequate steps to suspend the driver's licenses of certain individuals repeatedly in arrears in making child support payments. (Finding #6)



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### Vehicle Titling & Registration

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- MVA allowed vehicle dealerships to issue temporary vehicle registrations to ineligible individuals, in violation of State laws. (Finding #8)
- MVA waived late payment fines for excise taxes and fees totaling \$824,000 due from dealerships without reviewing the related documentation. Automated reports used to identify late payments and assess related fines did not include out-of-state dealerships. (Finding #9)
- Audits of licensed vehicle dealerships were not comprehensive. For example, approximately 700 licensed dealers were not on MVA's audit schedule, including 312 out-of-state dealerships. (Finding #10)



## Insurance Compliance

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- Although State law requires immediate suspension of vehicle registrations when insurance is terminated or lapses, MVA waited 70 to 115 days. (Finding #11)
- MVA did not recover most license plates from uninsured vehicles when the vehicle owners failed to respond to related notifications.
- Up to two years could pass after an insurance lapse before MVA assessed the related penalties. Delinquent assessments were not forwarded to CCU in a timely manner. (Finding #12)
- Waivers of insurance penalties were not always issued in accordance with State regulations.



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### eMVA Store

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- eMVA Store enables citizens to renew a vehicle registration and order replacement titles, duplicate registration cards, and copies of driving records over the Internet.
- eMVA Store authenticates users by prompting for data such as a driver's license number, date of birth or vehicle title and tag numbers.
- Transactions are paid for by credit card or electronic check (allowing for a withdrawal from a customer's bank account).
- A contractor maintained the eMVA website application and supporting infrastructure.
- Online payments via the eMVA Store website totaled \$62 million in FY 2006.



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### eMVA Store (continued)

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- eMVA Store customers' sensitive personal and financial data was unnecessarily stored in plain text on eMVA Store related servers, including 269,000 customer credit card transactions, 42,500 bank account records and 468,000 drivers license records. (Finding # 16)
- eMVA Store web application software had numerous vulnerabilities and commercial security tools were not used to improve security. (Finding # 17)
- eMVA Store was exposed to additional security risks due to outdated software on several critical devices. (Finding # 18)
- Various users had unnecessary access to the critical eMVA Store database and servers. (Finding # 20)



## Conclusion

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MVA should establish procedures to ensure that:

- Proper identification and follow-up of Ignition Interlock Program violations.
  - Driver's licensing transactions are properly processed and licenses are properly issued.
  - License suspensions and revocations and related appeals are processed timely.
  - Dealers discontinue issuing temporary tags to ineligible individuals, dealer titling and registration late payments are properly identified and dealer audits are more comprehensive.
  - When lapses of insurance coverage are identified, vehicle registrations are suspended and related penalties are assessed and recovered in a timely manner.
  - eMVA Store applications and customer data is properly secured.
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