

PERFORMANCE AUDIT

## **DEPARTMENT OF TRANSPORTATION**

**MOTOR VEHICLE DIVISION – DRIVER'S LICENSING  
AND TITLE/REGISTRATION PROGRAMS**

Report to the Arizona Legislature  
By the Auditor General  
October 1988

88-7

DOUGLAS R. NORTON, CPA  
AUDITOR GENERAL

STATE OF ARIZONA

OFFICE OF THE

AUDITOR GENERAL

October 20, 1988

LINDA J. BLESSING, CPA  
DEPUTY AUDITOR GENERAL

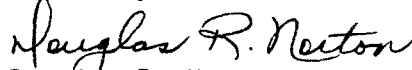
Members of the Arizona Legislature  
The Honorable Rose Mofford, Governor

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Department of Transportation, Motor Vehicle Division, driver's license and title and registration programs. This report is in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee.

We found that the Motor Vehicle Division has significantly improved its services to the public at field offices and in title processing. However, the Division needs to more effectively manage the processing of driver's licenses to reduce the time needed for individuals to obtain new licenses. The report also identifies problems in enforcing license suspensions and revocations against persons who continue to drive and problems in processing traffic citations in a timely manner.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,



Douglas R. Norton  
Auditor General

DRN:lmn

STAFF: William Thomson  
Mark Fleming  
Deborah A. Klein  
Lucinda A. Trimble  
Michael Friedman  
Linda S. Manning  
Raymond L. Quain

## SUMMARY

The Office of the Auditor General has conducted a performance audit of the Arizona Department of Transportation (ADOT), Motor Vehicle Division (MVD), driver's licensing and title and registration programs in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

**Most People Are Satisfied  
With Service At MVD Stations,  
But Some Areas Still Require Improvement** (see pages 7 through 15)

Although MVD appears to offer adequate services to most customers, there are areas for improvement. Over the past few years MVD has implemented several innovations to improve customer services. These innovations include driver's license renewal by mail, longer license terms, new facilities, and Saturday hours at some stations. Further, our survey of customer satisfaction showed that most people transacting business at MVD stations are satisfied with services received. Respondents were generally satisfied with job knowledge, efficiency and courtesy of MVD clerks. Respondents were also generally pleased with the timeliness of service and the hours of station operation.

Although more than 80 percent rated the overall performance at the MVD stations evaluated as good to excellent, MVD should continue to stress the importance of customer service. More than one of every ten customers feel they received only fair or poor service from MVD clerks.

Information should be more accessible to the public. Information desks are needed in larger stations to help customers determine if they have all the correct paperwork and direct them to the proper service window. Second, MVD could help customers more easily obtain information by improving its phone system. MVD's current phone system is not adequate to handle the volume of calls received. Third, more effective signs and readily available brochures would further assist the public.

**MVD Needs To Manage Driver's License Processing More Effectively** (see pages 17 through 21)

MVD has not effectively managed driver's license processing. Increases in processing time during early 1988 were largely due to a lack of management oversight. As of June 1988, processing time for driver's licenses exceeded 70 days. This is a significant increase from as late as January 1988, when processing time averaged 43 or fewer days. Further, these delays occur despite a workload reduced by mail renewals and four-year licenses.

Although MVD publicly attributes the processing delays to new computer systems and has recently reduced processing time to under 50 days, the delays appear to have resulted from a lack of management oversight. Management did not monitor performance and sizeable bottlenecks developed before management became aware of the problem. For example, MVD management was not aware of the large backlog in processing applications until consumers complained that their temporary licenses were expiring before permanent licenses were issued.

**MVD, In Coordination With Law Enforcement Agencies And Courts, Needs To Strengthen Enforcement Efforts Against Drivers With Suspended Or Revoked Licenses Who Continue To Drive** (see pages 23 through 33)

Although enforcement agencies take action against problem drivers, many continue to drive. In fact, the American Association of Motor Vehicle Administrators (AAMVA) estimates that as many as 80 percent of people with suspended or revoked licenses continue to drive. Some are flagrant violators. One driver had his license suspended four times between October 1983 and February 1988, for periods ranging from 30 days to 15 months. This license was also indefinitely suspended seven times by the courts for unpaid fines. However, this individual continued to drive throughout the period, receiving 32 convictions, most of which were received while under suspension.

An effective enforcement program requires joint action among law enforcement agencies, the courts and MVD.

- Law enforcement agencies could strengthen enforcement efforts by routinely checking driver records to determine if a license is suspended or revoked.

- Enforcement by the courts could be strengthened by revising statutes to impose minimum penalties for drivers convicted of driving under suspension/revocation. Courts also need more ready access to MVD driver records. Presently, courts are often not aware of individuals' driving records.
- MVD should be given statutory authority to take administrative action against drivers who are convicted of any traffic violation while under suspension or revocation. Currently, MVD can only take action if a driver is convicted of the specific offense of driving under suspension or revocation.

For additional funds to pay for an increased enforcement effort, the Legislature should consider raising the license reinstatement fee and dedicating all or part of the funds to enforcement.

**MVD Needs To Process Citations  
In A Timely Manner** (see pages 35 through 40)

MVD does not process citations in a timely manner. As of June 30, 1988, MVD was backlogged by approximately 15 work days in entering major citations such as reckless driving onto driver records. In addition, as of June 28, 1988, MVD had a backlog of more than 11 months in entering minor citations such as speeding tickets. MVD could eliminate the current backlog in citation processing and work toward preventing future backlogs by: 1) allocating adequate resources to update driver records, and 2) continuing to work with courts to automate the processing of citations.

**MVD Has Significantly Improved  
Its Processing Of Titles** (see pages 41 through 43)

MVD has made vast improvements in its title function. Since our study in 1982, MVD has shortened the time to issue a title from approximately three weeks to two work days. Further, MVD has streamlined the processing of title paperwork. Although the processing time has been significantly improved, MVD needs to ensure that adequate quality checks are conducted by field offices before titles are issued.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION AND BACKGROUND . . . . .	1
FINDING I: MOST PEOPLE ARE SATISFIED WITH SERVICE AT MVD STATIONS, BUT SOME AREAS STILL REQUIRE IMPROVEMENT . . . . .	7
Innovations Have Impacted Customer Services . . . . .	7
MVD Received Positive Ratings On Customer Satisfaction . . . . .	9
MVD Needs To Continue Improving Areas Of Public Service . . . . .	10
MVD Needs To Make Information More Accessible To The Public . . . . .	12
Recommendations . . . . .	15
FINDING II: MVD NEEDS TO MANAGE DRIVER'S LICENSE PROCESSING MORE EFFECTIVELY. . . . .	17
Processing Time Increased In Early 1988. . . . .	17
Delays Resulted From Lack Of Management Oversight . . . . .	18
Better Management Of New Programs Is Needed . . . . .	19
Recommendations . . . . .	21
FINDING III: MVD, IN COORDINATION WITH LAW ENFORCEMENT AGENCIES AND COURTS, NEEDS TO STRENGTHEN ENFORCEMENT EFFORTS AGAINST DRIVERS WITH SUSPENDED OR REVOKED LICENSES WHO CONTINUE TO DRIVE. . . . .	23
Effective Enforcement Requires Coordinated Effort. . . . .	23
Drivers Continue To Drive Without Valid Licenses . . . . .	24
Changes Needed For An Effective Program . . . . .	26
Higher Reinstatement Fees Could Provide Funding . . . . .	32
Recommendations . . . . .	33

	<u>Page</u>
<b>FINDING IV: MVD NEEDS TO PROCESS CITATIONS IN A TIMELY MANNER . . . . .</b>	35
Driver Records Are Not Adequately Maintained . . . . .	35
Driver Improvement Actions May Be Delayed . . . . .	37
MVD Should Eliminate The Backlog . . . . .	38
Recommendation . . . . .	40
 <b>FINDING V: MVD HAS SIGNIFICANTLY IMPROVED ITS PROCESSING OF TITLES . . . . .</b>	 41
MVD Has Significantly Shortened Time To Issue Titles . . . . .	41
Quality Control Is Inconsistent . . . . .	42
Recommendations . . . . .	43
 <b>OTHER PERTINENT INFORMATION . . . . .</b>	 45
Admin Per Se Law . . . . .	45
Over The Counter Issuance Of Drivers Licenses . . . . .	47
Control Of Title And Registration Offices . . . . .	50
 <b>AREAS FOR FURTHER AUDIT WORK . . . . .</b>	 53

**AGENCY RESPONSE**

**APPENDICES**

- I. Statistical Appendix
- II. Driving Records Of Drives Used In Case Examples
- III. Calculation Of Staff Needed To Process Citations

LIST OF TABLES

	<u>Page</u>
TABLE 1 - Arizona Department Of Transportation Motor Vehicle Division Expenditures For Fiscal Years 1986-87 Through 1988-89 (Unaudited) . . . . .	5
TABLE 2 - Survey Responses To Customer Service Questions . . . . .	9
TABLE 3 - Transaction Times . . . . .	10
TABLE 4 - Drivers Convicted Of Driving Under Suspension/Revocation During The Past Five Years . . . . .	26
TABLE 5 - Fines/Sentences Imposed For Driving Under Suspension/Revocation, By Conviction Number . . . . .	29
TABLE 6 - Citations Received By MVD . . . . .	35
TABLE 7 - Backlogged Citations That Will Result In Driver Improvement Action . . . . .	38
TABLE 8 - Examples Of State Operated Title And Registration Offices As Of July 1, 1988 . . . . .	50
TABLE 9 - Title And Registration Transactions By County June 1987 Through May 1988 . . . . .	52
TABLE 10 - Stations Selected - Criteria Used In Selection . . . . .	.A-2
TABLE 11 - Response Rate For Customer Survey . . . . .	.A-3
TABLE 12 - Calculation Of Staff Needed To Process Citations . . . . .	.A-9



## INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the Arizona Department of Transportation (ADOT), Motor Vehicle Division (MVD), driver's licensing and title and registration programs in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

### Background

Before 1927, the Secretary of State was responsible for annual vehicle registration and the counties were responsible for the public highways in Arizona. In 1927 the Arizona Highway Department was established with the function of "administering all matters and affairs directly affecting, concerning, or relating to the highways of the State." The Motor Vehicle Division of the State Highway Department was then established to issue license plates, process registration and title applications, and examine applicants for driver's licenses. County assessors were designated as officers of the Division to perform duties delegated to them by the Division.

In 1973 the Arizona Department of Transportation replaced the State Highway Department, to provide for an integrated and balanced State Transportation system. The Motor Vehicle Division is one of five divisions that carries out the mission of the Arizona Department of Transportation.

This audit focuses on the Motor Vehicle Division's driver's license and vehicle title and registration programs. The programs and their functions are as follows.

### Driver's License Program

The driver's license program is responsible for ensuring the safety of the general public on streets and highways of this State, assisting the criminal justice system in carrying out its responsibilities, and acting

as the central depository of records. In connection with these responsibilities, the driver's license program performs the following functions.

- Tests applicants and issues driver's licenses.
- Evaluates drivers and driving records to remove unsafe drivers from the road.
- Suspends or revokes driving privileges of those involved in accidents who do not meet financial responsibility requirements.
- Inspects school buses and certifies bus drivers.

#### Title And Registration Program

The title and registration program is responsible for all services directly related to vehicles. Services are provided to the general public, dealerships, towing and wrecking companies, lending institutions and private title services. In connection with these responsibilities, the title and registration program performs the following functions.

- Registers and issues license plates for vehicles, and issues vehicle titles.
- Licenses and regulates motor vehicle dealers, manufacturers and wreckers.
- Processes reports on abandoned vehicles and handles the subsequent sale of the vehicles.
- Issues oversize permits and enforces vehicle laws.

In 1977, A.R.S. §28-301 was amended to allow the director of ADOT and the Board of Supervisors of any county to negotiate a contract providing for the transfer of duties and responsibilities concerning titles and

registration from the County Assessor to the Motor Vehicle Division. To date, ten of Arizona's 15 counties have entered into such an agreement. The five remaining counties retain \$1 for each title and for each registration processed, and \$2 of each late registration penalty, for operating costs.

### Staffing And Budget

The Motor Vehicle Division is allocated approximately 831 full-time equivalent employees (FTE) for fiscal year 1988-89. The title and registration program employs approximately 350 FTEs, and processed approximately 3,171,500 registrations (new and renewals combined) during 1987, and an estimated 1,319,000 titles during fiscal year 1987-88. The driver's license program employs approximately 329 FTEs, and processed an estimated 802,000 driver's license applications during the 1987-88 fiscal year.

The Motor Vehicle Division is funded through the State Highway Fund. For fiscal year 1987-88, the Division's approved budget was approximately \$26.8 million for operations. A summary of the Division's Highway Fund expenditures for fiscal years 1986-87 through 1988-89 are presented in Table 1 (see page 5).

### Scope And Methodology

Our audit of the Department of Transportation's Motor Vehicle Division was limited to the title and registration and driver's license functions. The report presents findings in the following areas.

- The level of public service being provided to title and registration and driver's license station customers.
- The timeliness of driver's license processing.
- The adequacy of driver improvement actions taken against problem drivers.
- The timeliness of citation processing.

- The efficiency of title processing.

In order to determine the level of public service being provided by MVD, we conducted a customer survey, observations of station operations, and a survey of branch supervisors. The customer satisfaction survey was designed to determine the timeliness of public service, the treatment of the public by MVD staff, the overall public impression of MVD operations, and the ease of public access to needed information. Detailed information about the survey is found in the statistical appendix. The customer survey was supplemented by Auditor General staff observations of driver's license and title and registration station operations in various areas of the State. Further, we conducted a written survey of 16 driver's license and 12 title and registration supervisors to obtain information on station operations and public service needs.

Due to time constraints, we were unable to address two potential issues identified during our preliminary audit work. Additional information regarding these areas is provided in the section Areas For Further Audit Work.

This audit was conducted in accordance with generally accepted governmental auditing standards.

The Auditor General and staff express appreciation to the Director and staff of the Motor Vehicle Division for their cooperation and assistance during the course of our audit.

TABLE 1

**ARIZONA DEPARTMENT OF TRANSPORTATION  
MOTOR VEHICLE DIVISION EXPENDITURES  
FOR FISCAL YEARS 1986-87 THROUGH 1988-89  
(Unaudited)**

	<u>1986-87 Actual</u>	<u>1987-88 Estimated</u>	<u>1988-89 Approved</u>
FTEs	841	786 <sup>(a)</sup>	831
Personal Services	\$15,579,200	\$15,722,700	\$16,811,700
Employee Related Expenditures	3,579,400	3,524,200	4,251,100
Professional Services	243,300	321,100	259,100
Travel - State	140,900	244,900	280,800
Travel - Out-of-State	12,100	22,600	23,000
Other Operating Expenditures	2,647,400	3,539,900	3,751,300
Equipment	<u>327,000</u>	<u>178,800</u>	<u>395,600</u>
OPERATION SUBTOTAL	22,529,300	23,554,200	25,772,600
License Plates & Tabs	1,149,900	748,800	943,000 <sup>(c)</sup>
Medical Advisory Board	80,000	80,000	83,000
Revenue Tracking System	<u>2,464,800</u>	<u>-0-</u>	<u>-0-</u>
TOTAL	<u>26,224,000</u>	<u>24,383,000</u>	<u>26,798,600</u>
Add'l Appropriations	<u>-0-</u>	<u>658,500<sup>(b)</sup></u>	<u>-0-</u>
TOTAL	<u>\$26,224,000</u>	<u>\$25,041,500</u>	<u>\$26,798,600</u>

(a) The number of FTE positions was reduced because 26 positions were transferred to the Department of Public Safety and 45 other positions were deleted. The figure also reflects the addition of 18 new positions.

(b) The additional appropriation was for vehicle license plates.

(c) The amount appropriated is for issuing a single license plate per vehicle, effective July 1, 1988.

Source: State of Arizona Appropriations Reports for fiscal years 1988 and 1989.

## FINDING I

### MOST PEOPLE ARE SATISFIED WITH SERVICE AT MVD STATIONS, BUT SOME AREAS STILL REQUIRE IMPROVEMENT

Although the Motor Vehicle Department (MVD) is providing adequate customer service, there are areas for improvement. Over the past few years MVD has implemented several innovations to improve customer services. Further, in a survey conducted by our Office, most customers rated MVD good to excellent in public service. However, low ratings from a small proportion of respondents suggest that MVD could improve some areas of customer service. MVD should also make information concerning its services more accessible to the public.

#### Innovations Have Impacted Customer Services

Innovations have improved the level of customer service. The number of people who visit a driver's license station has been reduced by the renew by mail program and the extension of driver's license expiration from three to four years. Also, visiting a station is more convenient due to additional stations and Saturday hours of operation at selected stations.

Renew by mail program - The renew by mail program has increased applicant convenience and reduced the number of driver's license applicants who must visit a station. A.R.S. §28-426.01, which went into effect January 1987, allows driver's license applicants who meet the seven qualifications<sup>(1)</sup> set forth in the statute to renew their license by mail. Eligible applicants are sent a renewal form several

---

1) The seven qualifications listed in A.R.S. §28-426.01 are: 1) no conviction of a moving traffic violation for the four years prior to renewal, 2) no license suspension, revocation or cancellation during prior four years, 3) license renewal is for the same class of license currently held, 4) under 70 years of age or, 5) those 60 years of age or older must present a report of eyesight, 6) has been issued a driver's license for at least seven years, the last three years of which have been issued by this State, and 7) the license issued by this State has not been renewed by mail in the last four years immediately preceding expiration of the current license.

months before their licenses expire. Upon return of the renewal form, MVD sends the licensee a sticker to place on the back of their existing license, which makes the license valid for four more years. As of April 7, 1988, 158,313 applicants had renewed their license by mail.

Driver's license extension - The extension of driver's license expiration dates from three to four years has also reduced the volume of the driving public visiting MVD stations annually. In 1984, MVD began extending the expiration period of driver's licenses from three to four years. The program was implemented over a three-year period ending January 1987. By expanding the expiration cycle, the percentage of driver's licenses expiring annually was reduced from 33 to 25 percent.

The combined effects of the renew by mail program and the extension of driver's license expiration dates is a decrease of 182,717 driver's license renewal applications from 1986 to 1987.

New buildings - MVD has improved customer convenience by constructing seven new stations since 1984. Three of the new stations were replacements for existing facilities and four of the stations were built in areas where no station had previously been operating. Three of the replacement facilities (Flagstaff, Prescott and Kingman) combine title and registration and driver's license functions. MVD also has 11 new or replacement stations scheduled for construction throughout the State before 1994.

Saturday hours - MVD has also improved customer convenience by providing Saturday hours at some stations. MVD conducted a study of operating hours during the six-month period starting August 13, 1984, with some stations open on Saturday and others open longer during weekdays. The study results showed sufficient demand to expand hours of operation to include Saturday hours. Currently, MVD has three driver's license stations and two title and registration stations open Saturdays in the densely populated areas of Phoenix and Tucson.

**MVD Received Positive Ratings  
On Customer Satisfaction**

Most people transacting business at MVD stations appear satisfied with service received. The Office of Auditor General conducted a customer satisfaction survey of driver's license and title and registration stations.<sup>(1)</sup> Survey results showed that respondents were satisfied with the job knowledge, efficiency and courtesy of MVD clerks. Survey respondents were also pleased with the timeliness of service and the hours of station operation. Finally, most respondents rated the overall performance of MVD stations surveyed as good or excellent (Table 2).

**TABLE 2  
SURVEY RESPONSES TO CUSTOMER SERVICE QUESTIONS**

<u>Customer Satisfaction Questions</u>	<u>Driver's License</u>		<u>Title and Registration</u>	
	<u>Total Responses</u>	<u>Percentage Satisfied<sup>(a)</sup></u>	<u>Total Responses</u>	<u>Percentage Satisfied<sup>(a)</sup></u>
Employee Courtesy	2,494	87.1%	2,582	89.3%
Employee Job Knowledge	2,261	90.1%	2,312	92.1%
Employee Efficiency	2,302	83.5%	2,368	88.0%
Timeliness of Service	2,430	78.1%	2,645	84.5%
Operating Hours	2,612	81.7%	2,754	85.3%
Overall Performance	2,459	82.7%	2,549	87.4%

(a) Survey respondents classified as "satisfied" were those customers who: 1) rated MVD good or excellent on employee courtesy, job knowledge and/or efficiency, 2) considered that the time to complete a transaction was reasonable, 3) said hours of operation were convenient, or 4) rated MVD good or excellent on overall performance.

Source: Auditor General Survey of MVD customers.

Most customers felt that transactions were completed within a reasonable time. As shown in the previous table, 78 percent of driver's license and nearly 85 percent of title and registration customers felt that the time it took to complete their transaction was reasonable. However, some transactions appear to take too long. For example, the average time to

(1) For description of survey methodology, see Appendix 1.



complete a change of address at a driver's license office was about 22 minutes. Further, to obtain information at driver's license stations averaged more than 13 minutes, while to obtain information at a title and registration station averaged about 12 minutes. The following table lists the average transaction times for driver's license and title and registration customers.

**TABLE 3**  
**TRANSACTION TIMES**

<u>Driver's License</u>	<u>Avg. Time</u>	<u>Title &amp; Registration</u>	<u>Avg. Time</u>
Renew DL	36 Min.	Vehicle Title	21 Min.
First AZ DL	46 Min.	Original AZ Reg.	23 Min.
Duplicate DL	28 Min.	Renew Annual Reg.	11 Min.
Instruction Permit	35 Min.	Vehicle Inspection	23 Min.
I.D. Card	29 Min.	Obtain Permit	15 Min.
Reinstatement DL	29 Min.	Obtain Information	12 Min.
Change of Address	22 Min.	Replace Lost Plates	13 Min.
Copy of Records	25 Min.		
Information	13 Min.		

Source: Auditor General Survey of MVD customers.

The high level of satisfaction reported by respondents may be due to MVD's innovations to improve customer service. As mentioned earlier, MVD has implemented a renew by mail program and longer license terms, which have reduced the volume of customers who need to visit driver's license facilities. Further, MVD has provided new facilities and Saturday hours at some stations. These changes may have impacted the public's perception of MVD service by making it easier to transact business at MVD facilities.

**MVD Needs To Continue**  
**Improving Areas Of Public Service**

Although most customers are satisfied with service, MVD could continue improving service by addressing at least two problems. First, more than one in every ten customers feel they received discourteous service from an MVD clerk. Second, some customers may be required to stand in line for extended periods while waiting for an open window.

Rude treatment of customers - More than one of every ten survey respondents rated employee courtesy as fair or poor. Further, Auditor General staff noted some examples where customers were treated rudely during our visits to MVD stations. The following cases illustrate the mistreatment.

#### Case 1

An applicant with a speech impediment completed a driver's license application form and took the completed form to the appropriate window. The clerk read the form to review the contents and asked the applicant his age. The applicant stammered as he responded that he was 44 and the clerk wrote down 444. The applicant saw the clerk write 444 and asked the clerk why his response was written improperly. The clerk replied, "because that is what you told me." The applicant responded that he did not say 444. The clerk said, "yes you did, you said 'four-forty-four'." The applicant was offended by the clerk's treatment.

#### Case 2

An applicant at a driver's license station was provided test materials for the drivers license exam. Among the materials the applicant was given a blank piece of paper, although she did not know what its purpose was. During the test, she came across two questions for which she was unsure of the correct answers. She jotted down the two questions on the blank sheet of paper so she could look up the answers when she was through. After completing the exam, she took all the materials to the MVD clerk. The clerk grabbed the piece of paper with the two questions, and told her if she ever caught her cheating during a test again she would rip up the answer sheet and make her leave. The woman replied that she had been given the paper when she was given the test. The clerk told her that blank paper was not given out with the test and cheating was not allowed. The woman appeared to be offended by the clerk's behavior.

Reduce standing time - MVD should consider installing ticket machines to reduce the time customers must stand in line before receiving service. At the stations surveyed, customers had to stand in line an average of 35 minutes to complete a driver's license transaction, an average of 15 minutes to obtain information at driver's license stations, and an average of 18 minutes to process a title or registration transaction.

The title and registration stations surveyed and observed have already installed ticket machines so title customers can sit down while waiting

for an open window. Driver's license and registration customers have responded that they would like to see ticket machines installed.<sup>(1)</sup> The time spent waiting before transactions are started would be made a little more bearable if customers were able to sit while waiting.

### MVD Needs To Make Information More Accessible To The Public

MVD should make information more accessible to the public. Providing an information desk and expanding the phone system would make it easier for the public to obtain answers to their questions. Better use of signs and readily available brochures would further assist the public in their transactions.

Information desk - An information desk is needed in all larger MVD stations. Driver's license stations require all customers to receive initial service from the cashier station. Title and registration stations require customers to wait for an open service window for initial service. As a result, some customers wait for extended periods only to find that they lack the necessary paperwork to complete their transaction, or that they have been standing in the wrong service line. Further, some customers must wait in long lines just to have a simple question answered. For those seeking information only, we found the average wait to be more than 13 minutes at driver's license stations and more than 11 minutes at title and registration stations.

At an information desk, customers could be screened for correct paperwork and then directed to the proper service window. Further, the information desk could answer questions for those requiring information only. In a 1984 study, ADOT's Productivity Resource Management System study team recommended screening/information desks for driver's license stations. The following cases demonstrate the need for an information desk.

---

(1) Although title and registration stations generally have ticket machines for title customers, those renewing registrations must stand in line to receive service.

## Case 1

During an observation at a driver's license station, a man entered and proceeded to the initial service line. Although only two people were ahead of him, he waited more than 20 minutes to reach the front of the line.

## Comment

The initial service line is the starting point for all transactions except for people seeking only information and those wanting to reinstate their driver's license. Information inquiries and driver's license reinstatements are handled entirely at the initial service window. When a clerk is giving information there is usually no backup in line, but when a clerk has to complete a reinstatement, a long line begins to form. Since a reinstatement takes an average of 29 minutes to complete, those customers waiting in line behind a person with a reinstatement may have to wait for as long as half an hour to receive service.

## Case 2

During the survey a customer entered a title and registration station, took a ticket number, and waited for the number to be called. Her number was called after a half an hour wait and she presented herself at the service window. When she told the clerk she was there to renew her registration, the clerk told her she was in the wrong line and would have to wait in the registration line. The customer waited in the registration line for 15 minutes to be helped. When she told the clerk she wanted to renew the vehicle registration, the clerk told her that he was unable to renew the registration unless she produced a power-of-attorney, because the car is only registered in her husband's name.

## Comment

Since no one screens customers for correct paperwork or directs them to the correct service window, the only way customers can get needed information is by standing in line to ask questions, or being told their transaction cannot be completed for some reason.

Phone system - MVD does not have an adequate phone system for customer information. The system cannot handle the volume of calls received, and many customers get a busy signal when they try to call. In order to determine how effective the existing phone system is, MVD commissioned a study of the Phoenix area driver's license station phone system. The study showed that the existing phone system received more than 21,000 calls per week. Of the 21,000 calls, only 40 percent actually got through to an MVD operator, and the other 60 percent heard a busy signal.

Even if customers can get a connection to MVD, they still may encounter difficulty in getting an MVD employee on the line to answer their question. Under MVD's current system, customers contacting metro Phoenix driver's license stations hear a taped message followed by phone numbers customers may call for further information. These phone numbers connect customers to MVD employees at driver's license stations. MVD has attempted to reduce the number of calls to driver's license stations by contracting with a private company to establish an electronic system to screen callers. The system was designed to screen callers through taped messages, and if necessary, electronically connect them to an MVD employee in the appropriate area. Four numbers for MVD were listed in the phone book. The phone numbers directed callers through a series of screening questions only, to reach a dead end - only one of the four phone numbers allowed the caller to connect with an MVD employee. Further, the one phone number that would connect with an MVD employee connected callers to the Mesa driver's license station camera operator. Because of the problems with the system, MVD terminated the new system. The following cases demonstrate the problems with trying to get information using MVD's current phone system.

#### Case 1

On July 15, 1988, a member of our staff attempted to contact a driver's license station in the Phoenix area to test the current phone system for ease of customer use. The auditor found it difficult to make a connection. The first problem encountered was in locating the phone number. The phone number is listed under the Department of Transportation and not under a separate Motor Vehicle Division listing. After locating the phone number, the auditor spent five minutes and 14 attempts to get an open line. When the auditor reached an open line, a recorded message gave general information followed by a list of phone numbers one could call to obtain additional information. After two minutes and eight attempts at calling the new number, an open line was reached. When the phone was answered, the auditor was immediately put on hold for one minute. While on hold, there was no message or indicator to let the auditor know that he wasn't cut off. When the clerk answered the phone again, the auditor received fast, courteous service.

#### Case 2

A person responding to the customer survey stated that he could not get through on the phone to have his question answered. After trying several days with no success, he drove more than ten miles to the station and stood in line for more than 30 minutes to have his question answered. Since the question was only informational, the customer could have avoided making the unneeded trip had the phone system been efficient.

Signs - Although MVD has made an effort to improve signs and has installed some new signs in stations, many signs do not effectively convey the information customers desire. During our observation and customer satisfaction survey, many customers complained that the signs do not give clear directions on where to begin transactions and do not give complete information on the paperwork needed to complete the transactions. Customers also complained that many of the signs that would have helped them complete their transactions are located on the outside of the building or in other less visible locations.

Brochures - MVD's use of brochures to communicate information to the public could be improved if more informative brochures were printed and placed where the public could obtain copies. Title and registration stations do not have brochures about the types of services the stations offer. During our observations at driver's license stations we found that all stations had driver's license manuals available, but these manuals were not always placed in the lobby area. Thus, customers often had to wait in line to ask the cashier for a manual. Also driver's license manuals are not generally available in title and registration stations.

### RECOMMENDATIONS

1. MVD should install information/screening desks in all stations with a high volume of customers to provide the following services.
  - Ensure that customers have the proper paperwork for their desired transactions.
  - Eliminate the chance of customers waiting in the wrong transaction line.
  - Reduce the long wait to receive information.
2. MVD should install ticket machines in driver's license and title and registration stations to lessen the inconvenience of standing in long lines.

3. MVD signs should be easy to understand and follow. Signs should be placed in easily visible locations.
4. MVD should continue to stress the importance of proper customer service to all employees.
5. MVD should develop brochures describing available customer services and listing required paperwork for the most common types of transactions.
6. MVD should develop and install a phone system that can handle all incoming phone calls and electronically screen questions.
7. MVD should make driver's license manuals available in title and registration stations, and place driver's license and title and registration manuals in easily accessible locations in driver's license stations.

## FINDING II

### MVD NEEDS TO MANAGE DRIVER'S LICENSE PROCESSING MORE EFFECTIVELY

The Motor Vehicle Division (MVD) does not adequately manage driver's license processing. Recent increases in processing time are largely due to a lack of management oversight. In addition, poor planning has plagued several of MVD's new driver's license programs.

#### Processing Time Increased In Early 1988

The time to process a driver's license increased substantially in the first half of 1988, even though the volume of applications to be processed was decreasing. As of June 1988, processing time for driver's licenses exceeded 70 days.<sup>(1)</sup> This is a significant increase from as late as January 1988, when processing time averaged 43 or fewer days. Further, these delays are occurring under a reduced workload. The volume of applications processed decreased by 17 percent in 1987, and is expected to decrease further in 1988.

The delays recently attracted some public attention when temporary licenses issued with 60-day expiration dates began to expire before people received their new licenses. This led MVD to increase the temporary license expiration dates from 60 to 75 days. This is also a significant increase from 1987, when temporary licenses were issued with 45-day expiration dates.

MVD has publicly attributed the delays to the implementation of its new computer generated license system which occurred during the same period. Since that time, however, division records show that processing time has been reduced to less than 50 days in most cases.

---

(1) Processing time can be much longer than average for applications with errors or those that don't pass the National Driver Registry check.



### Delays Resulted From Lack Of Management Oversight

Although MVD attributes the processing delays to new computer systems, the long delays appear to have been caused by a lack of management oversight. Lack of monitoring allowed sizable bottlenecks to develop before management became aware of problems. In addition, MVD did not have performance standards to evaluate processing timeliness and, therefore, management was unable to control performance.

Lack of performance monitoring - MVD management was not aware of the large backlog in processing applications until consumers complained that temporary licenses were expiring before permanent licenses were issued. These consumer complaints revealed a backlog which had been growing for some time, unnoticed by management. Management was not aware of the problems because it does not monitor performance.

We noted backlogs in many processing units during the course of our audit. When the audit began in February 1988, there was a backlog in the computer terminal entry unit. At that time, the processing units preceding the computer terminal entry unit were not experiencing problems. In March bottlenecks began to develop in the three processing units prior to terminal entry and in the final processing unit before mailing. These backlogs occurred for various reasons: staff shortages due to absenteeism, problems with developing film by NBS Imaging Systems (NBS),<sup>(1)</sup> and problems with microfilming the applications. Due to lack of oversight these bottlenecks went undetected by management, and combined to create the June 1988 processing time in excess of 70 days.

Lack of performance standards - Although MVD managers expected that the new computer generated licensing system would increase processing time MVD did not establish standards that would allow managers to evaluate the Division's performance in processing driver's licenses. Without such standards MVD managers would have been unable to evaluate performance even if they had actually monitored processing. MVD periodically conducts studies of average license processing time, but did not set a

---

(1) MVD has a contract with NBS Imaging Systems to produce driver's licenses, in effect from July 1, 1987, through June 30, 1992.

goal for how long it should take to issue a license. No standards were developed for the processing done by the different units; therefore, management has no basis to measure the performance of any unit.

Since we completed fieldwork, however, the Division has begun to work toward a goal of 25 days to process driver's licenses. According to the assistant director, 25 days is an informal standard which is being currently evaluated to determine if it is realistic and feasible. The assistant director indicated that the 25-day standard will be established as a policy if it proves to be workable.

### Better Management Of New Programs Is Needed

Poor management was also evident in the lack of proper planning and implementation of three recent programs: the newly designed driver's license, consolidated application forms, and renewal of driver's licenses by mail.

New driver's license - MVD began issuing a newly designed driver's license in March 1988. The new license has a tamper-proof plastic lamination, a saguaro motif, and is computer printed instead of hand written. The computer printing is possible due to a new computer generated form used at the stations. The computer generated form and the new license style, produced by NBS Imaging Systems, are separate programs. MVD began both programs simultaneously in order to produce a new driver's license with computer printed information. The following problems illustrate management's poor planning and implementation of these programs.

- Field officers did not have sufficient computer terminal training before starting work. They received less than 30 hours of training on how to update the Driver Data Base. In contrast, data entry clerks at headquarters receive 240 hours of training before they begin working at the terminals. Some station employees did not begin using terminals for up to one year or more after their initial training, and thus forgot much of what they had learned. Both factors resulted in high error rates. An ADOT Productivity Resource

Management System study issued in March 1988 reported error rates of 37 percent for field officers. These errors made it necessary for applicants to return to stations to correct MVD mistakes.

- Field officers were not sufficiently trained to operate equipment at the stations. When a printer ribbon wore out on the second day of operations at one station, no one knew how to change it and the clerks began typing licenses manually.
- The new system was designed with a computer program that prints only the residence address on the license and does not print the mailing address if its different. The post office will only deliver licenses to the correct mailing address and all others are returned to MVD as unclaimed mail. If the field officer notices a different mailing address, the application can be marked for special handling. However, headquarters must then type a special envelope for that license.

New driver's license application forms - MVD developed a double-sided, one page application for all applicants regardless of license type. The new application includes the organ donor affidavit and other support documentation, thus eliminating the need for multiple forms. This program encountered several problems during planning and implementation.

- Due to poor initial design of the application, 23 flaws were detected at the last minute which resulted in a three month delay of implementation. Some of these flaws were major errors. For example: the application had no space to indicate license class, which distinguishes the types of licenses such as operator or motorcycle. The initial application had no space for driver restrictions such as corrective lenses. This application was scheduled to be printed at the same time as the new license on March 7, 1988, but was not ready until June 13, 1988.
- After using applications at the field stations for a few days, management called a meeting to discuss how to deal with problems that had not been addressed before the forms were distributed. For

example, officers-in-charge at the stations had not been told what to do with the new application if an applicant failed to pass the written test or the road test. Some stations simply threw the application away and had no record that the individual had applied and failed, some stations created a dummy computer record noting the failure but still threw the applications away, and some stations kept the applications on file until the applicant returned.

Driver's license renewal by mail program - MVD began the renew by mail program for driver's licenses in January 1987. This program allows approximately 20 percent of Arizona's driving population to renew their licenses by mail each year, which reduces the number of applicants processed by field offices. The following cases demonstrate poor management planning and implementation of this program.

- MVD did not pilot test the renewal by mail applications, and has now determined that only 54 percent of eligible applicants renewed their licenses by mail in 1987. According to an MVD official, in California nearly 80 percent of those eligible renew by mail; therefore, MVD expected a comparable response rate. MVD assumed that the low response rate was because applicants did not understand the renewal form. MVD developed a new renewal by mail application and ordered a year's supply without thoroughly testing the new form. Further, \$8,000 worth of the old applications and envelopes are waiting to be destroyed.
- Nearly 30 percent (78,000) of the 291,000 renewal by mail applications and letters were returned to MVD as undeliverable. The computer that generates the renewal letters to applicants is programmed to use the residence address even if the mailing address is different. More than one year after the start of the renewal by mail program, MVD is considering ways to resolve the address problem.

#### RECOMMENDATIONS

1. MVD should take steps to reduce driver's license processing time by.
  - Establish unit performance standards for driver's license processing areas.

- Set an overall goal for driver's license processing based on unit performance standards.
  - Monitor and control processing time based on performance standards.
2. In addition, MVD management needs to improve planning and implementation of future programs.
- Ensure that employees are properly trained in new procedures.
  - Pilot test programs to make necessary changes prior to implementation.
  - Monitor programs to ensure success after implementation.

## FINDING III

### MVD, IN COORDINATION WITH LAW ENFORCEMENT AGENCIES AND COURTS, NEEDS TO STRENGTHEN ENFORCEMENT EFFORTS AGAINST DRIVERS WITH SUSPENDED OR REVOKED LICENSES WHO CONTINUE TO DRIVE

Although enforcement agencies take action against problem drivers, many continue to drive. Individuals with suspended or revoked licenses often ignore attempts to sanction them. An effective enforcement program requires coordinated efforts by law enforcement agencies, the courts and MVD. To fund an increased enforcement effort, the Legislature should consider raising the license reinstatement fee for suspended/revoked licenses.

#### Effective Enforcement Requires Coordinated Effort

According to Federal guidelines developed in cooperation with the American Association of Motor Vehicle Administrators (AAMVA), a model enforcement program against drivers with suspended/revoked licenses requires a high level of coordination among the police, the courts and the state driver's licensing agency. Police officers detect problem drivers and cite them for violations. When a driver appears in court the judge has the responsibility to adjudicate the resulting criminal charges, and if necessary impose a court ordered suspension. Finally, MVD is responsible for regulating driver activity, including enforcement of motor vehicle laws by monitoring records and taking corrective actions. MVD has several sanctions against problem drivers.

- Traffic Survival School - Drivers who accumulate points on their driving record in a specified time period must attend an authorized school for a ten-hour program to help develop better driving habits.
- License restriction - Special requirements (such as driving to and from work only) are placed on the driving privilege, with the objective of limiting exposure to the driving public.

- Suspension - Temporarily withdraws the privilege to drive. Suspension can range from 30 days to one year. As of June 17, 1988, 138,000 individuals were under suspension.
- Revocation - Terminates the driving privilege of individuals who are convicted of continued improper driving. The revocation period generally lasts for a minimum of one year. At the end of the revocation period, a license is not reinstated without an investigation into the character, habits and driving ability of the offender. As of June 17, 1988, 23,000 individuals were under revocation.

MVD has significantly expedited its driver improvement program through automation. In January 1987 MVD replaced its multi-phased manual processing system with an automated system. Automation of the driver improvement program has provided more thorough screening of driving records and allows MVD to take quicker action against problem drivers. Previously, individual driving records were tracked manually, and determination of driver improvement actions was a cumbersome and time-consuming task, which resulted in significant backlogs.

#### Drivers Continue to Drive Without Valid Licenses

Although MVD can identify problem drivers and restrict their driving privileges, many individuals with suspended or revoked licenses continue to drive. These problem drivers may pose a hazard to other drivers.

Despite actions taken, violators continue to drive - Despite actions taken, individuals with suspended or revoked licenses continue to drive. The following two case examples<sup>(1)</sup> of problem drivers convicted of numerous violations illustrate the apparent disregard these individuals have for both traffic safety and the licensing authority.

---

(1) See Appendix II for a detailed listing of the drivers' convictions and the enforcement actions taken against the drivers.

### Case One

Between October 1983 and February 1988, an individual had his license suspended four times for periods ranging from 30 days to 15 months. In addition, his license was indefinitely suspended by the courts seven times for failure to pay fines. In fact, because he did not pay fines, the individual's license has been suspended from June 1986 to the present. However, the individual has continued to drive throughout the suspension period despite the many actions taken against him. He was convicted 32 times during a four-year period, accumulating a total of 45 points.

The convictions include speeding, driving under the influence, violation of financial responsibility laws, failure to obey traffic signs, driving on the wrong side of the road, and failure to stop on command of a police officer.

### Case Two

An individual's license has been revoked from July 1986 through July 1989. In addition, his license has been suspended indefinitely since July 1985 because he did not pay two fines. Despite the suspensions and revocations, this person continued to drive and was convicted of 16 violations in a two and one-half year period, accumulating 32 points on his driver record. Most of the convictions were for driving under suspension/revocation. Other convictions include speeding, failure to obey a traffic control signal legend, driving on the wrong side of the road, failure to obey a stop sign, reckless driving, driving under the influence, failure to remain within the designated lane of traffic, and failure to drive without a valid driver's license. This individual's poor driving habits may be hazardous to other drivers.

We reviewed files on drivers under suspension or revocation<sup>(1)</sup> to determine how often these individuals had been caught violating the suspension/revocation. Table 4 illustrates the number of times these individuals were convicted of driving under suspension/revocation over the past five years. Although the number of drivers convicted is small compared with the total number of licensed drivers (approximately 2.3 million as of January 1, 1988), it is reasonable to assume that those

---

(1) A computer query was conducted to review the five-year driving history of suspended or revoked drivers as of June 17, 1988.



who continue to drive without being caught is much higher. A study conducted by the AAMVA<sup>(1)</sup> estimates that as many as 80 percent of suspended/revoked drivers continue to drive. Further, the AAMVA concludes that these drivers are over represented in fatal and serious injury crashes during the suspension period.

**TABLE 4**  
**DRIVERS CONVICTED OF DRIVING**  
**UNDER SUSPENSION/REVOCATION**  
**DURING THE PAST FIVE YEARS**

<u>NUMBER OF CONVICTIONS</u>	<u>SUSPENDED(a)</u>	<u>REVOKED</u>
1	5,545	1,681
2	1,049	288
3 - 5	404	135
6 - 10	35	5
11 - 20	3	2

(a) This column includes licenses suspended for moving violations, court ordered suspensions and violations of financial responsibility laws.

Source: June 17, 1988 report from MVD Systems Group.

**Changes Needed For**  
**An Effective Program**

An effective enforcement program requires coordinated action by law enforcement agencies, the courts and MVD. Our review found that statutory changes and improved procedures on the part of the agencies responsible for taking action could greatly strengthen enforcement.

**Law enforcement agencies** - Since law enforcement officers are the first to come in contact with suspended/revoked drivers, it is important that they appropriately cite these drivers for their offenses. Law

---

(1) American Association of Motor Vehicle Administrators, "Model Enforcement Program Against Suspended/Revoked Drivers," February 1984. AAMVA based its recommendations on a study of suspended/revoked drivers in five states.

enforcement agencies could strengthen enforcement efforts against these drivers by checking driver records, and assisting in the notification process.

Although their involvement is essential, law enforcement officers do not always cite suspended or revoked drivers for the proper offense. To ensure that appropriate action is taken against problem drivers, it is critical for police officers to conduct driver's license checks as often as possible when they stop a driver. Such checks are particularly important when a driver cannot present a valid driver's license. In some instances, a suspended/revoked driver may inform the officer that he does not have his license with him. If the officer does not check license status the individual may be cited for not carrying a driver's license, even though he may be under suspension/revocation at the time. The AAMVA concludes that people arrested for "no driver's license" are highly suspect of being under suspension or revocation.

MVD can assist law enforcement agencies by informally monitoring actions taken and providing training when necessary. The AAMVA recommends that the driver control bureau regularly check the "no driver's license" conviction records to determine whether drivers were under suspension or revocation at the time. If certain law enforcement agencies show a pattern or trend of failing to cite, MVD can then work with the agencies to encourage their officers to conduct driver's license checks on traffic stops, where practical.

Law enforcement agencies can also assist MVD in notifying drivers their licenses are suspended or revoked. Upon license suspension/revocation, MVD sends notice of the action to the driver's last known address. The driver is requested to acknowledge receipt of the notice by returning a signed copy to MVD. Based on the volume of unclaimed mail returned to MVD, some suspended/revoked drivers may not be notified of MVD's action. Other times drivers receive the notice but do not return the acknowledgment to MVD. Documentation of the acknowledgment is critical in the prosecution of some cases. According to an MVD report, many people claim no knowledge of the notification when they appear in court.

Most courts will accept that argument, and the charge of driving under suspension/revocation is dismissed unless a written acknowledgment of notification can be provided.

The License Withdrawal Acknowledgment Program can help law enforcement officers obtain proof that drivers were notified of the suspension/revocation action. For the past two years, MVD in cooperation with the Tucson City Police, Department of Public Safety and Pima County Sheriff's Office, conducted a pilot program to assist MVD in obtaining acknowledgment of the suspension or revocation notice. MVD has given law enforcement personnel the authority to serve a suspended/revoked driver with an acknowledgment form and confiscate the driver's license at the time the driver is stopped. The seized licenses and acknowledgment are then forwarded to MVD. During the 12-month test period, 10,451 licenses were withdrawn by the Tucson Police Department and Department of Public Safety. According to MVD, these agencies have responded favorably to the program and recommended expansion of the program statewide.

Courts - When a driver appears in court the judge has the responsibility to adjudicate the resulting criminal charges, and if necessary, impose a court ordered suspension. However, courts do not impose consistent penalties for driving under suspension/revocation. Our review of six drivers convicted of this violation revealed that different sentences were imposed, regardless of the number of previous convictions. Further, the penalties for individual drivers did not necessarily escalate upon subsequent convictions. Table 5 illustrates the discrepancies in penalties imposed by various courts.

TABLE 5  
FINES/SENTENCES IMPOSED FOR DRIVING  
UNDER SUSPENSION/REVOICATION  
BY CONVICTION NUMBER

		Conviction					
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Driver A	Fine Jail	\$-0-	\$69		\$500 + 2 Days	\$411 6 Days	Unknown
Driver B	Fine Jail	\$205	6 Days	7 Days	2 Days	\$142	\$52
Driver C(a)	Fine Jail	\$-0-	\$69	\$-0-	\$138	\$142	\$137
Driver D	Fine Jail	2 Days	2 Days	\$685	\$685		
Driver E	Fine Jail	\$142	\$168	\$168	\$137	\$165	
Driver F	Fine Jail	Unknown	Unknown	\$100	\$165	\$ 72	

(a) Driver C had three additional convictions, however, the penalty for these convictions is unknown.

Source: Auditor General staff survey of courts where convictions occurred.

The failure of courts to impose consistent penalties is due to the lack of statutorily mandated minimum penalties for drivers convicted of driving under suspension/revocation. Mandatory minimum penalties have been established for driving under traffic complaint suspensions,<sup>(1)</sup> although there are no penalty guidelines for other types of suspensions.

In contrast, other enforcement programs have established mandatory minimum penalties for violators, which escalate based on subsequent convictions. Under the new DUI law, courts must sentence first offenders to 24 hours in jail and impose a fine of \$250. A second DUI conviction within five years results in a jail sentence of at least 60 days and a fine ranging from \$500 to \$1,000. A third DUI conviction within five years is a felony, with at least six months in jail and a fine up to \$150,000. Also, violation of the financial responsibility law carries a mandatory penalty. On the first conviction, courts may impose a minimum fine of \$250 and may direct MVD to suspend the driver's license, registration and license plates for three months. If the driver is convicted a second time within three years, the court must impose a minimum fine of \$500, and direct MVD to suspend the driver's license, registration and license plates for six months. On a third or subsequent conviction within three years, the court must impose a fine of at least \$750, and direct MVD to suspend the driver's license, registration and license plates for one year.

To further strengthen their ability to penalize suspended/revoked drivers, courts need ready access to MVD driver records. Currently, because of delays in obtaining driver records and lack of on-line access, courts often request driver records only in certain cases. For example,

---

(1) Currently, minimum fines are set only for driving under traffic complaint suspensions. Under A.R.S. §28-473C, the minimum fine for driving on a traffic complaint suspension is \$300 on a first conviction, and \$500 on a second or subsequent conviction within one year. The fine may be reduced to not less than \$50 with proper evidence of payment of a civil sanction imposed by the court for the original civil violation that caused the suspension.

of 12 courts contacted, nine do not routinely request driver records. Without data on driving history and prior violations, the courts may not be aware of an individual's poor driving record and may not impose higher fines, or jail terms where warranted.

MVD - MVD's role in the enforcement effort should be strengthened. Because suspended/revoked drivers are not always cited by law enforcement officers or sanctioned by the courts, MVD should have administrative authority to take action against these drivers. Further, increasing public awareness of the consequences of driving under suspension or revocation may reduce the number of violators.

MVD has limited administrative authority to penalize drivers who continue to drive under suspension or revocation. If a driver is convicted of driving under a suspension or revocation, MVD can extend the suspension for an equal time period and the revocation for an additional year. However, MVD's authority for extension are based only upon a driver's conviction of driving under suspension/revocation. Therefore, if someone is convicted of any other violation during suspension, but is not specifically convicted of driving under suspension or revocation, MVD cannot extend the suspension period. For example, MVD cannot extend the suspension or revocation period of a suspended driver convicted of speeding, even though the driver was clearly violating the suspension/revocation order.

Administrative suspensions by MVD could strengthen the enforcement effort. One MVD official felt that with proper statutory authority, MVD could administratively suspend licenses of individuals convicted of other violations during the suspension or revocation period. Currently, MVD has administrative authority to take action against drivers convicted of driving under the influence of intoxicating liquor (DUI). Under the DUI law, MVD will suspend the license for 90 days on the first offense, revoke the license for one year on a second conviction within five years, and a third offense could result in a three year license revocation. This administrative authority catches any DUI cases that slip through the courts. Similar penalties for convictions received during the suspension/revocation period could help the enforcement effort against problem drivers.

By increasing public awareness of the consequences of driving under suspension or revocation, MVD may be able to reduce the number of violators. The AAMVA states that a model enforcement program should include an effort to inform all drivers of mechanisms in the system to detect violations of this law. This approach could be patterned after the efforts to inform drivers of the probability and the consequences of being arrested for driving under the influence of intoxicating liquor (DUI).

#### Higher Reinstatement Fees Could Provide Funding

To help fund an increased enforcement effort, the Legislature should consider raising the license reinstatement fee, with all or part of the funds designated for enforcement.

Additional resources are needed for increased enforcement. First, more hearing officers may be needed if MVD receives the authority to administratively extend suspensions and revocations. Second, additional funds would be needed to increase public awareness. Third, both MVD and the courts would need funds to implement on-line access to driver records. Finally, MVD may need to hire additional training officers to educate law enforcement agencies regarding apprehension of suspended/revoked drivers.

Currently, the reinstatement fee for a suspended/revoked license is \$10.<sup>(1)</sup> Although virtually all MVD revenues currently go to the Highway Users Revenue Fund (HURF), a statutory change could mandate that the additional reinstatement fees be dedicated to the enforcement program. We surveyed eight neighboring states, and found three with a reinstatement fee of \$25. DUI offenses in Arizona have a \$50 reinstatement fee. Without further study, the amount of fee increase necessary to cover increased enforcement efforts cannot be determined.

---

(1) This \$10 reinstatement fee may not cover MVD's processing costs. For example, before a revoked driver can reinstate his license, a driver control analyst must conduct an investigation which includes sending out questionnaires, interviewing the driver, and generating a report.

However, with 43,784 reinstatements in 1987, a \$25 fee would have generated \$656,760 for the enforcement effort. A \$50 fee would have produced an additional \$1,751,360. Further, by funding the enforcement program through the reinstatement fee, offenders would be funding the program.

RECOMMENDATIONS:

1. The Legislature should consider these statutory changes.
  - Amend A.R.S. §28-473, granting MVD the statutory authority to administratively extend license suspensions upon receiving notice of conviction of any violation.
  - Provide mandatory minimum fines for all convictions of driving under suspension/revocation.
  - Amend A.R.S. §28-205 to increase the reinstatement fee.
  - Amend A.R.S. §28-208, allowing MVD to keep all or a portion of the revenues generated by the increased fee for the enforcement effort against problem drivers.
2. MVD should informally monitor actions taken by law enforcement agencies by regularly checking the "no driver's license" conviction records received to determine whether the driver was in fact under suspension or revocation at that time. If it is apparent that officers are not properly citing such drivers, MVD should inform the law enforcement agency and encourage the officers to conduct driver license checks at traffic stops, where practical.
3. MVD should consider implementing the License Withdrawal Acknowledgement Program on a statewide basis.
4. MVD should increase public awareness regarding the consequences of driving under suspension/revocation.



## FINDING IV

### MVD NEEDS TO PROCESS CITATIONS IN A TIMELY MANNER

MVD does not process citations in a timely manner. Although MVD is charged with maintaining driver records, there is a backlog of citations to be entered. As a result, driver improvement actions may be delayed and other agencies may have to rely on inaccurate records. MVD should take action to eliminate the current backlog in citation processing and work toward preventing future backlogs.

#### Driver Records Are Not Adequately Maintained

MVD is responsible for maintaining accurate driver records. However, citations are not processed in a timely manner which results in backlogs. Furthermore, the number of citations returned to courts hinders citation processing.

A.R.S. §28-428 requires MVD to maintain accurate driving records. According to the statute, MVD "shall file all abstracts of court records of convictions received . . . (and) maintain convenient records . . . in order that an individual record of each licensee . . . is readily ascertainable and available . . ." Table 6 illustrates the volume of citations that MVD receives.

TABLE 6  
CITATIONS RECEIVED BY MVD

<u>YEAR</u>	<u>MAJOR</u>	<u>MINOR IN-STATE</u>	<u>MINOR OUT-OF-STATE</u>	<u>TOTAL</u>
1986	168,105	222,837	15,714	406,656
1987	250,412	228,935	39,205	518,552
1988 <sup>(a)</sup>	265,986	195,042	16,324	477,352

(a) For comparison purposes, MVD's January through June 1988 data was annualized.

Source: MVD Citation Processing Reports.

Citations are not processed in a timely manner - MVD is not processing citations in a timely manner, resulting in significant backlogs. Currently, there are backlogs in the processing of both major and minor citations.<sup>(1)</sup> Although major citations are considered a top priority and should be kept current, a small backlog exists. Major citations were backlogged as of June 30, 1988, by approximately 16,000. With current staffing available to process major citations, it would take approximately 15 work days to eliminate the backlog in major citations.

Further, as of June 28, 1988, minor citations were backlogged by approximately 149,000. Minor citations are separated by in-state (backlog of 58,000) and out-of-state (backlog of 91,000)<sup>(2)</sup> citations. With current staffing available for processing minor citations, it would take more than 11 months to eliminate the minor citation backlog alone.

Citations returned to courts hinder processing - Another factor hindering timely updating of driver records is the high number of citations returned to courts for correction. Citations can be returned to a court due to illegibility, incomplete information, missing judge's signature, or wrong disposition code. The volume of citations returned varies, as does the amount of time it takes courts to send the citations back to MVD. For example, during our review we noted that the number of citations returned to courts ranged from approximately 700 to 4,500 per month. In addition, we reviewed citations returned for correction to determine if courts were returning them in a timely manner, and found that two months after the date they had been sent out, most of the citations had not yet been returned to MVD.

According to MVD staff, many citations are returned to the courts because they cannot be deciphered. We reviewed almost 1,000 citations returned

---

(1) A major citation results in six to eight points on a driver's record or a mandatory action taken by MVD. For example, a citation for reckless driving is considered a major citation. A minor citation results in three or fewer points and a mandatory action is not required. For example, a citation for speeding is considered a minor citation.

(2) The backlog of out-of-state minor citations is based on an estimate by MVD staff.

to courts and found that approximately 33 percent were returned as illegible due to a poor copy of the citation or poor handwriting. MVD staff indicate that many citations are returned to the courts as illegible because they receive the last of four copies of the citation. The other copies of the citation are given to the defendant, the police officer and the court. However, a court official indicated that the Supreme Court could work with the courts and law enforcement agencies to ensure that MVD received a more legible copy. For example, they could notify law enforcement agencies regarding the importance of a legible citation. In addition, they could encourage the lower courts to make sure the citations they send to MVD are legible.

**Driver Improvement Actions  
May Be Delayed**

Driver improvement actions may be delayed and other agencies may have to rely on inaccurate records due to the untimely processing of citations. Some citations awaiting input will result in an action taken once they are put on the system. For instance, many of the major citations that are backlogged will result in court ordered suspensions for failure to pay or failure to appear in court for a traffic citation. We also found cases where backlogged major and minor citations will result in some type of action based on point accumulation once they are input. However, we were unable to determine the extent of this problem. Table 7 shows three cases in which backlogged citations will result in action once they appear on the driver's record.

In addition, delays in processing citations may force law enforcement agencies and others to rely on inaccurate information. Courts and law enforcement agencies use driving records to determine a driver's license status and past driving history when handling a traffic violation. Insurance companies request a driving record for anyone applying for automobile insurance, and some businesses require job applicants to supply a copy of their driving record. Therefore, the backlog in citation processing may cause users to receive inaccurate driving records.

TABLE 7

EXAMPLES OF BACKLOGGED CITATIONS THAT WILL RESULT  
IN DRIVER IMPROVEMENT ACTION

<u>DRIVER</u>	<u>TYPE OF CITATION</u>	<u>DATE</u>	<u>CURRENT POINTS</u>	<u>ADDED POINTS</u>	<u>TOTAL POINTS</u>	<u>RESULTING ACTION</u>
A	Minor	2-29-88	6	2	8	Referral to TSS (a)
B	Major	5-5-88	16	8	24	12 month suspension
C	Major	6-1-88	0	8	8	Referral to TSS

(a) Traffic Survival School

Source: Auditor General review of individual traffic citations and MVD driving records as of July 20, 1988.

**MVD Should Eliminate The Backlog**

MVD should eliminate the backlog in citation processing and work toward preventing future backlogs. MVD has not allocated adequate resources to update driver records. To alleviate long-term backlogs in the future, MVD should continue working with courts to automate the process for handling citations.

**Adequate resources have not been allocated** - MVD has not allocated adequate resources to update driver records. MVD staff contend that the backlog in citations is due to staff shortage. Although four full-time positions (FTE) are allocated for processing major citations, one position is vacant. (According to MVD staff, additional staff cannot be reassigned to process citations because they are needed to process driver's license applications.) However, we determined that MVD could eliminate the current backlog while keeping up-to-date on incoming citations by filling the current vacancy and hiring one temporary employee. Table 12 in Appendix III shows the calculation of additional staff needed to process citations.

However, MVD does not have adequate staff to process minor citations. Only two staff are available to process minor in-state citations, and no staff are available to process minor out-of-state citations. MVD can eliminate the backlog of minor citations within six months by temporarily assigning five additional staff to this function. (See Table 12 in Appendix III.) However, once the backlog is eliminated, MVD will need a third FTE to keep current in minor citation processing.

MVD should work to alleviate long-term backlogs - To alleviate long-term backlogs in the future, MVD should continue to work with courts to automate citation processing. While there are a total of 183 courts statewide, only a few courts have on-line access to MVD's system and only one court has the capability to enter citations onto the system. In addition, only four of the larger courts in the Phoenix and Tucson metropolitan areas<sup>(1)</sup> transmit citations to MVD via magnetic tape. Although citations transmitted by tape represent a large percentage of citations received by MVD,<sup>(2)</sup> most courts currently must send hard copies of citations into MVD for processing. As a result, backlogs in citation processing could continue until some form of automation is implemented.

MVD should continue its work with the Supreme Court to automate citation processing. The Supreme Court, and MVD are currently developing a pilot program that will enable courts to electronically transmit citation information through modem hook-ups to their own microcomputers. Four courts will be transmitting citations in this manner during the pilot test, which is scheduled to begin in September 1988. The pilot test will be conducted for approximately three months before it is evaluated. If the project is successful, courts will eventually be able to transmit citations and court abstracts without sending the hard copies to MVD. According to a Supreme Court official, the cost to obtain a modem hook-up is fairly low. It will cost the courts approximately \$400 for the modem, plus an additional fee for the phone line. Forty-five courts already

---

(1) The courts that transmit citations on tape are City of Phoenix, City of Scottsdale, Pima County and the City of Tucson.

(2) For the month of June 1988, 44 percent of the citations sent to MVD were sent on tape.

have modem hook-ups, although they are not yet using them to transmit citations. According to the Supreme Court official, if the pilot test is successful he expects the other courts to begin implementation within a year.

RECOMMENDATIONS:

1. MVD should allocate additional staff for citation processing.
  - Fill the current vacancy for processing major citations.
  - Temporarily assign five additional staff to process minor citations until the backlog is eliminated. Once the backlog is eliminated, allocate one additional FTE to process minor citations.
2. MVD should work with the Supreme Court in encouraging courts and law enforcement agencies to submit legible citations.
3. MVD should continue to work with courts to obtain citation automation.

## FINDING V

### MVD HAS SIGNIFICANTLY IMPROVED ITS PROCESSING OF TITLES

Since 1982 the Motor Vehicle Division (MVD) has made vast improvements in its title function. MVD has significantly shortened the time to issue a title. However, MVD still needs to improve its quality control of titles.

#### MVD Has Significantly Shortened Time To Issue Titles

MVD has greatly improved title processing in recent years. Through system improvements, the time to generate a title has been shortened from nearly three weeks to two days.

In 1982 our Office conducted a review of the title processing function. At the time of our review, we found that MVD took approximately three weeks to process title applications. This lengthy processing time was caused by MVD's cumbersome system for title processing. Under the previous processing system, titles could not be produced until title applications and supporting paperwork had been received by central office, checked for accuracy, and microfilmed. The titles were then produced under a photographic process. Our 1982 review found that this process took an average of 16 working days or nearly three weeks. Further, the processing system was fragmented. Our 1982 study found that five individual processing units were involved in producing a title, with title applications changing hands 20 times throughout the process.

MVD can now issue a title in approximately two work days. A new process, the Intaglio System, was implemented in October 1987. Under the Intaglio System, MVD and county employees located throughout the State update title records on computer terminals. On the following day titles are computer printed in MVD headquarters. The titles are then automatically prepared and mailed. The titles are generally mailed on the first or second day after a vehicle owner applies for them.

Although title paperwork must still be processed, this procedure has been streamlined. MVD still receives all title applications and supporting documents from the field stations; however, the paperwork now only requires minimal processing. Paperwork is microfilmed and a film reference number is entered onto the computer. Further, since the title has already been produced and mailed before MVD received the paperwork, title issuance is not delayed.

**Quality Control  
Is Inconsistent**

Although title processing has been significantly improved, MVD needs to ensure that adequate quality control is conducted by field offices. Before titles were computer printed, the applications were quality checked at MVD headquarters. However, with the computer generated titles MVD and county field offices update title records, and this information is used to generate a title the following day. Thus, because MVD headquarters is no longer able to conduct quality reviews before issuing a title, these reviews must be completed by field offices.

Although quality control checks are critical to ensure the accuracy of titles issued, some offices may not be conducting adequate quality control checks. In May 1988, MVD Title and Registration Program officials conducted a quality control title check of two State operated field offices. The officials found that one of the two offices was not performing any quality control checks, while the other office was conducting a 100 percent quality control check. The officials also reviewed documents from each office to verify the accuracy. The results of the study showed that the error rate was higher for the office not performing quality checks than for the office performing a 100 percent quality check. For the office without quality checks, the officials found 30 major title discrepancies which will require the recall of five titles. For the office with quality checks, the officials found 12 major title discrepancies, none of which will result in the title being recalled.



MVD has recently issued a directive to field offices which will require that quality control checks be performed. On July 13, 1988, a directive went into effect which requires all State and county operated auto license offices to randomly sample at least 10 percent of the daily title transactions processed for each staff member. If a problem application is found, the auto license office is directed to suspend or void the title that day.

RECOMMENDATION:

MVD should monitor State and county operated auto license offices to ensure that quality control checks of title transactions are conducted in accordance with MVD's directive.

## OTHER PERTINENT INFORMATION

During the course of the audit we developed information regarding the Admin Per Se program, over-the-counter issuance of driver's licenses, and control of vehicle title and registration offices.

### Admin Per Se Law

In response to an Auditor General request to legislators to identify areas of concern about MVD driver's licensing and title and registration programs, one legislator raised questions about the Admin Per Se law. The legislator asked us to determine: 1) how MVD is implementing the law, 2) the cost of the law to date, and 3) projected future costs of the law.

Background on the Admin Per Se law - In January 1988 the State passed a new law to address the problem of people driving under the influence of alcohol (DUI). The law, "Admin Per Se", allows MVD to administratively suspend licenses of DUI drivers, whether or not they receive a court conviction. Thus, MVD's actions are considered civil actions, while courts take criminal action against DUI drivers. Under the new law, if a driver is arrested for DUI and a blood alcohol test shows an alcohol concentration of .10 percent or more,<sup>(1)</sup> the enforcement officer is required to: 1) serve an order of suspension effective 15 days from the date served, 2) require the immediate surrender of the driver's license or permit, and 3) issue a temporary driving permit which is valid for 15 days. The enforcement officer is then required to send to MVD a DUI affidavit containing a copy of the order of suspension and temporary permit, and the confiscated license or permit. The driver may request a hearing or summary review regarding the suspension. If no hearing or summary review is requested, the suspension is effective 15 days following the date served.<sup>(2)</sup> If a hearing or summary review is

---

(1) If a driver refuses to take a blood alcohol content test, the driver's license is suspended for 12 months.

(2) If a driver takes the test and is found to have a blood alcohol level above .10 percent, the driver's license will be suspended for 90 days. If a driver receives a second conviction within five years, MVD will revoke the driver's license for one year. If a driver receives a third conviction within five years, MVD could revoke the driver's license for three years.

requested, the suspension does not go into effect until an MVD decision is made.

**How is MVD implementing the law?** - MVD receives and processes DUI affidavits from law enforcement agencies. The Driver Responsibility Unit, which is responsible for processing DUI affidavits, updates driving records with affidavit information and enters suspensions onto the records. Unless the driver requests a hearing or summary review, the suspension automatically goes into effect 15 days from the date the affidavit is served. From January through June 1988, the Driver Responsibility Unit processed 14,468 DUI affidavits.

If a driver requests a hearing or summary review, the MVD hearing office will stay the suspension until a hearing decision is made. According to Hearing Office statistics, the Office conducted 3,910 DUI related hearings and summary reviews<sup>(1)</sup> during the six months after the law went into effect. This represents a 238 percent increase in DUI related workload over the same period in 1987.

At the time of our review, MVD did not have statistics available to determine the number of suspensions resulting from the DUI program. However, the Department is compiling a summary of actions taken against DUI drivers, and is expected to have a report completed by September 30, 1988.

**What is the cost of the law to date?** - MVD received Federal funding to implement the DUI law. According to an official from the Governor's Office of Highway Safety, MVD spent \$360,535 in Federal funding to cover the costs of personnel and equipment to start up and operate the program through June 1988. MVD officials indicated that they spent an additional \$100,000 to cover costs associated with operating the program.

**What are the future costs of the law?** - It is too early to estimate the long-term costs of the Admin Per Se law. MVD has hired personnel to

---

(1) Before 1988, MVD's DUI hearing figures were for implied consent hearings only. However, with the addition of the Admin Per Se Law, DUI related hearings now include Implied Consent hearings, Admin Per Se hearings and summary reviews.

handle the increased workload generated by the new law. The Driver Responsibility Unit has been allocated three staff to process DUI affidavits. Further, the hearing office has been allocated 10 additional hearing officers and six additional clerical staff to handle the increase in DUI related hearings. MVD received \$548,700 in its 1988-89 Budget Request to fund the additional Driver Responsibility Unit and Hearing Office staff and related expenses.

Although MVD's workload and staff have increased, the number of DUI arrests and accidents reported by the Department of Public Safety and the Phoenix Police Department have decreased during the first six months the law was in effect. During the first six months of 1988, DPS reported 3,319 DUI arrests on State highways, compared with 3,804 such arrests during the same period in 1987 (a 12.7 percent reduction). Further, the number of alcohol related accidents on State highways declined by 5.7 percent during the first six months of 1988 as compared with 1987 (from 740 to 698). Statistics for the Phoenix Police Department also indicate a decrease in DUI arrests and accidents. During the first six months of 1988, there were 4,538 DUI arrests compared with 4,983 such arrests during the same period in 1987 (a 9 percent decrease). Further, alcohol related accidents decreased by nearly 11 percent, from 1,129 the first six months of 1987 to 1,008 for the same period in 1988.

It cannot yet be determined whether these reductions can be attributed to the new law, and/or whether the reductions are permanent. Further study will be needed to determine what resources will be needed to process the Admin Per Se workload in the future.

#### Over-The-Counter Driver's Licenses

States generally follow one of two methods for issuing driver's licenses: central issuance or over-the-counter issuance. With central issuance, licenses are produced at a central location and mailed to applicants. With an over-the-counter system, licenses are produced within a few minutes at driver's license stations and given to applicants before they leave the station.

**Arizona has central issuance** - Driver's licenses in Arizona are issued centrally. Under Arizona's system, applications, supporting paperwork, and film containing ID photographs are sent by field stations to MVD headquarters for processing. A.R.S. §§28-422 and 28-421.01 require that all operators', chauffeurs', and identification licenses and photo attachments be processed centrally. The Legislature added this requirement in 1986. Prior to 1986, the statutes did not prescribe a method of driver's license issuance. The Arizona Department of Transportation (ADOT) currently has a five-year contract with NBS Imaging Systems for a central issuance system of driver's license production, effective July 1, 1987 through June 30, 1992.

**Most states have over-the-counter issuance** - As of June 1988, most states issue driver's licenses over-the-counter. Of 51 states (including the District of Columbia), 36 states offer over-the-counter issuance, while 14 have centrally issued licenses. Colorado offers both over-the-counter and central issuance. Of 89 offices in Colorado, 18 provide over-the-counter issuance and 71 still require central production of driver's licenses. The 18 stations with over-the-counter issuance represent about 80 percent of Colorado's business.

**Advantages and disadvantages of over-the-counter issuance** - Both methods have pros and cons. Opponents of over-the-counter issuance have expressed concerns with its security. For example, a problem driver could get a license without an adequate check of the driving record. Another concern is that all of the materials needed for production are spread throughout the State, thus creating the potential for theft of cameras and supplies from field offices. Further, with over-the-counter issuance the State cannot verify addresses given. Finally, it may be possible to alter over-the-counter licenses. In fact, Alabama changed from an over-the-counter system to central issuance due to security concerns.

We contacted Utah, Colorado and Nevada to determine how well over-the-counter issuance has worked for these states. Officials we spoke with feel that over-the-counter issuance has been a positive move. They indicated that the public is satisfied with over-the-counter issuance and it is much faster than a central issuance system. Further, these states have not experienced security problems with driving record checks, theft of cameras or equipment, verification of addresses, or altering of licenses.

- Driving record checks - All three states conduct a security check of driving records. Both Nevada and Colorado conduct a driving record check after the license has been issued. If the check reveals a problem driver, the license is cancelled and the applicant is notified. Neither state indicated any liability problems with this system. On the other hand, Utah conducts driving record checks at the station on out-of-state applicants and suspicious in-state applicants before issuing the license. If the driving record indicates a problem a license is not issued.
- Theft of equipment and supplies - Two of the three states indicated they had cameras or supplies stolen. Further, all the officials indicated that procedures could be taken to secure the cameras and supplies. The Nevada official indicated that the cameras used in his state have a security bar which contains the state seal and a signature. The bar can be removed and secured separately from the cameras. Further, the cameras are locked in storage areas after working hours. The Utah official indicated that the cameras are key actuated, thus they cannot be used without the necessary keys. Further, Utah's cameras also have a removable security plate which is locked separately from the camera. Colorado has experienced theft of camera equipment twice in the past ten years. However, because the cameras did not have the film or the security plate which contains the state seal and a signature, the cameras could not be used by the thieves. Thus, Colorado did not see this theft as a reason to eliminate over-the-counter issuance.

- Verification of applicant address - With regard to verifying addresses, the officials we spoke with did not see this as a reason to issue licenses centrally. One official commented that regardless of how a license is issued a person intent on obtaining a license with a false residence could put a wrong address on the application and have the license sent to a temporary post office box.
- Altering of driver's license - The officials also said they have not experienced problems with individuals altering licenses. Both Nevada and Utah use a laminate imprinted with the state's name, which cannot be removed without damaging the license.

Control Of  
Title And Registration Offices

Before 1981, county assessors were the only agents performing vehicle title and registration functions in Arizona. The county assessors issued title applications and registered vehicles, while the Motor Vehicle Division performed a quality review of title applications and produced the vehicle title. In 1977 statutes were amended allowing the director of ADOT and county boards of supervisors to contract to transfer vehicle title and registration functions back to MVD. As of July 1, 1988, ten counties had allowed the State to assume their auto license operations, as outlined in Table 8.

TABLE 8  
STATE OPERATED TITLE AND REGISTRATION OFFICES  
AS OF JULY 1, 1988

---

<u>County</u>	<u>Year of State Takeover</u>
Pima	1981
Apache	1981
Coconino	1982
Yavapai	1983
Mohave	1984
Cochise	1985
Greenlee	1985
Yuma	1986
La Paz	1987
Navajo	1988

County officials said they allowed the State to assume the auto license operations because they were not generating sufficient revenues to cover the costs of operating the auto license office, were only breaking even, or the county did not see any advantage to retaining the operation. The counties that still retain a title and registration program operated by the county assessor are Maricopa, Pinal, Gila, Graham and Santa Cruz. Officials in these counties chose to retain control of the auto license operations because they were making a profit from the operations, and/or they prefer to keep control at the local level.

Although the State operates licensing functions for 10 of 15 counties, the county assessors' total workloads are still larger than the State's. For the period June 1987 through May 1988, the State handled approximately 45 percent of all title transactions and 36 percent of all registration transactions. In contrast, the county assessor offices handled approximately 55 percent of all title transactions and 64 percent of all registration transactions. With the addition of Navajo County in July 1988, the workload of the State offices will increase by roughly 2 percent. Table 9 details workloads by county.



**TABLE 9**  
**TITLE AND REGISTRATION TRANSACTIONS BY COUNTY**  
**JUNE 1987 THROUGH MAY 1988**

	<u>Title Transactions</u>	<u>Percentage of Statewide Total</u>	<u>Registration Transactions</u>	<u>Percentage of Statewide Total</u>
<b>State Operated Offices</b>				
Apache	10,817	.92%	33,442	1.04%
Cochise	30,358	2.59%	97,386	3.03%
Coconino	27,439	2.34%	90,060	2.80%
Greenlee	2,248	.19%	8,898	.28%
La Paz	6,651	.57%	19,304	.60%
Mohave	37,977	3.24%	110,795	3.44%
MVD	167,758	14.33%	36,560	1.14%
Pima	173,556	14.83%	532,222	16.55%
Yavapai	39,868	3.41%	129,882	4.04%
Yuma	32,071	2.74%	94,685	2.94%
TOTAL STATE OPERATED	<u>528,743</u>	<u>45.16%</u>	<u>1,153,234</u>	<u>35.86%</u>
<b>County Assessor Operated Offices</b>				
Gila	15,404	1.32%	55,162	1.71%
Graham	6,123	.52%	21,448	.67%
Maricopa	552,162	47.17%	1,766,576	54.92%
Navajo (a)	17,980	1.54%	64,284	2.00%
Pinal	40,833	3.49%	127,447	3.96%
Santa Cruz	9,341	.80%	28,352	.88%
TOTAL COUNTY ASSESSOR OPERATED	<u>641,843</u>	<u>54.84%</u>	<u>2,063,269</u>	<u>64.14%</u>
TOTAL STATEWIDE	<u>1,170,586</u>	<u>100.00%</u>	<u>3,216,503</u>	<u>100.00%</u>

(a) Navajo County transferred from county assessor operation to State operation as of July 1, 1988.

Source: Motor Vehicle Division computer system report.

## AREAS FOR FURTHER AUDIT WORK

### Does MVD effectively regulate automobile dealers?

MVD is responsible for licensing about 2,300 motor vehicle dealers. Individuals can obtain a dealer's license by applying to MVD, submitting a \$25 application fee, and posting a bond of at least \$25,000. MVD inspects the applicants' lots but does not conduct background checks. MVD officials identified several problems in its regulation of motor vehicle dealers.

- MVD cannot respond in a timely manner to the more than 2,000 complaints received each year, and cannot track complaints against individual dealers.
- Dealer bonds cover only problems involving vehicle titles and do not protect other aspects of a transaction, such as lost down payments.
- Many dealers go out of business each year without giving a title to customers. Since MVD has not audited dealerships each year as required by law, those dealers with financial problems are not detected.

Inadequacies in the existing law, limited staffing and lack of automation may be the primary reasons for the shortcomings in MVD's regulation of motor vehicle dealers. Further audit work is needed to determine whether existing laws and MVD procedures are adequate to address problems posed by dealers, and whether MVD has sufficient staff and support to regulate dealers.

### Are driver's license stations adequately staffed?

Supervisors of driver's license offices indicated that current staffing levels may be too low. Many of the supervisors surveyed by our Office indicated that staffing problems exist. Six of 15 supervisors who responded to the survey indicated that they were understaffed more than

50 percent of the time. During our observations of driver's license stations we also observed instances where staff appeared inadequate. The shortages may be due to insufficient positions, inability to fill vacancies, training, staff being assigned to route stations, and the need for staff to cover Saturday hours. Further audit work is needed to determine how effectively existing staff are used and whether additional staff are needed at some driver license stations.



# ARIZONA DEPARTMENT OF TRANSPORTATION

## MOTOR VEHICLE DIVISION

1801 West Jefferson Street, Phoenix, Arizona  
Mailing Address: P.O. Box 2100, Phoenix, Arizona 85001

ROSE MOFFORD  
Governor

CHARLES L. MILLER  
Director

LEE A. PRINS  
Division Director

October 6, 1988

Mr. Douglas R. Norton  
Auditor General  
Office of the Auditor General  
2700 North Central Avenue  
Suite 700  
Phoenix, Arizona 85004

Dear Mr. Norton:

Thank you for the opportunity to meet with you and your staff to discuss the audit report of the Title and Registration and Driver License programs in the Motor Vehicle Division. We were pleased to provide feedback to the preliminary draft and offer this response to the revised report. Many of the problems and needs addressed in the report have long been concerns of the Department of Transportation and the Motor Vehicle Division.

### FINDING I

The Motor Vehicle Division concurs with Finding I and will utilize the suggested recommendations as noted below:

1. We recognize that simple information and procedural questions need to be answered quickly and easily. The audit recommendations are being utilized. Station managers and examiners are instructed to work the line to screen customers and direct them to the proper service window. We are also in the process of reevaluating the impact of TV monitors for continuous information on licensing procedures that now exist at our Mesa and Tucson Main locations. We are surveying major offices to determine the feasibility and placement of immediately accessible information stations.
2. An experimental "take a number" ticket system was installed on August 1st at our 35th Avenue Phoenix Driver License station. We will evaluate this pilot program at the end of our 90-day test period and make recommendations.



3. Signs have been produced and placed at many offices. Additional informational signs are being designed.
4. Additional public information materials are being developed. Some brochures have already been distributed and will be available in all MVD offices.
5. A new telephone inquiry system will be installed and operational about January 1, 1989.

#### FINDING II

MVD agrees that the Driver License Processing Unit (Quality Control) should have been monitored more closely during the transition to computer generated licenses. However, we do not agree the Processing Unit was managed ineffectively, since that implies no corrective management action was being taken. In fact, the transition problems were real, they were recognized and they were being addressed prior to, and during, the performance audit.

Performance standards for the processing unit (Quality Control) were in effect for manually generated licenses. In March, 1988, the Productivity Resource Management System (PRMS) team reviewed the existing standards and found them to be accurate. They later reaffirmed these standards in their report dated August 1988. Once the process has been stabilized, PRMS will review and establish new computer-generated standards.

We fully understood that the following problems would exist:

1. Confusion when two different systems are operated simultaneously.
2. Transfer of information verification responsibilities, from data entry personnel to Quality Control personnel, at a changing rate.
3. Handling system updates when the computer failed.
4. Required time for the system to stabilize.

The backlog which existed during the audit period has been reduced to 49 days to applicant receipt, and is decreasing. Recent procedural changes to the National Driver Register (NDR) query procedure and goals set within Quality Control will result in consistent in-house processing time of no more than 25 days.

#### FINDING III

The Motor Vehicle Division agrees with the recommendations provided in Finding III and will implement them as noted below:

1. Legislation that provides the statutory provisions listed in the above recommendations has been drafted and forwarded to the Department of Transportation for inclusion in the 1989 legislative package.
2. As in the past, the Division will continue to proactively request the law enforcement agencies to inquire on driver license status when stopping alleged violators. Additionally, this has become an integral part of the Court Law Enforcement Prosecutorial Advisory Discussion Committee.

#### FINDING IV

We concur with this finding during the period that relates to this audit. The Motor Vehicle Division agrees with the recommendations offered in Finding IV and has responded to them as follows:

1. All positions are filled in the data processing area. Quality control has reached an average of 49 days for license receipt by the customer, and this time is decreasing. With this area under control, seven (7) data processing specialists have been assigned to major violations and the initial backlog of 16,000 has been eliminated. With regard to minor citations, the Department of Corrections is planning to offer citation data input through tape-to-mainframe procedures. The program will be operational at year end 1988 and will provide a method of eliminating all citation backlogs. The program will be based at the Perryville medium security facility. As an interim measure two additional F.T.E.'s have been assigned to minor citations, for a total of three.
2. The issue of legible citations has been addressed with MVD enforcement and courts committees, as well as the Supreme Court, and will continue to be a point of consideration at all Governmental Advisory and Coordination meetings that could possibly impact favorably on the problem.
3. The Motor Vehicle Division has installed a personal computer, equipped with a 3270 emulator board within the Headquarters section. A test is being conducted with the Supreme Court Local Court Information System (LOCIS) to receive by modem citation data input from the Justice Courts. The Supreme Court has designed an electronic docket based on MVD's tape-to-mainframe format. The test, which will run through October 1988, will ensure tape-to-mainframe compatibility with two test courts. When the information is system compatible, the PC will be eliminated and direct main frame input will be implemented. Forty to forty-five local courts would go on line. Within the next five years it is feasible that approximately 150 of the 183 lower courts could go on line.

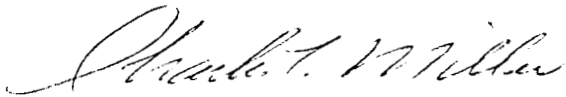
FINDING V

The Motor Vehicle Division concurs with this recommendation.

In July 1988, a written directive was issued to both State and County Auto License Offices that outlined the specific method to be used in sampling title applications. In September 1988, a Title and Registration Certification Training Course (76 hours) was begun and quality assurance will receive emphasis.

Thank you for considering our input to the audit findings. You and your staff have been very considerate and cooperative and we have enjoyed working with them.

Sincerely,



CHARLES L. MILLER  
Director  
Department of Transportation

## APPENDIX I

### STATISTICAL APPENDIX

Auditor General staff developed customer satisfaction surveys to determine the level of service customers were receiving at title and registration stations and at driver's license stations. The following is an account of the methodology used to develop and conduct the survey.

#### Survey Sites

The survey was conducted at four driver's license and three title and registration stations. The number of stations surveyed was limited to seven due to the available Auditor General staff and resources. Four criteria were used to judgmentally select the seven stations surveyed.

1. Location - To represent rural and urban characteristics, we selected stations in Phoenix, Tucson and one outlying area.
2. Customer Volume - We chose stations with the highest demand and largest customer base. High customer volume allows the most coverage at the fewest stations.
3. Computer Conversion - This criterion was used only in the selection of driver's license stations. We chose one station that had implemented the new computer generated license system.
4. State Control - This criteria was used only in the selection of title and registration stations. Many title and registration stations are run by county assessors and are not under State control. We limited our selection to stations under State control.



TABLE 10  
STATIONS SELECTED - CRITERIA USED IN SELECTION

<u>Driver's License</u>	<u>February Customer Volume</u>	<u>Driver's License Computer Conversion</u>	<u>Title &amp; Reg. State Control</u>
Phoenix-Encanto	4,983	March 7, 1988	N/A
Mesa	6,522	July 5, 1988	N/A
Tucson-Main	6,271	July 18, 1988	N/A
Yuma	2,125	July 27, 1988	N/A
 <u>Title &amp; Reg.</u>			
Tucson-Ajo Way	30,526	N/A	YES
Tucson-East	14,308	N/A	YES
Yuma	10,689	N/A	YES

**Survey Instruments**

Two surveys were developed to determine customer satisfaction, one for title and registration, and one for driver's license stations. The surveys focused on four major areas of concern: 1) Timeliness of service, 2) Accessibility of information, 3) Level of service, and 4) Barriers to effective customer service. To aid in the development of the survey instruments, input was sought and received from the director and program directors of MVD. When the survey instruments were in final draft stages, pilot tests were conducted to determine if any problems existed. Final changes were made to the questionnaires and translations were made in Spanish to capture that segment of Arizona's population.

**Survey Methodology**

Because of the staff resources required to conduct the survey, it was limited to a one-week period. We selected the last week of a month to conduct the survey in order to capture the level of customer satisfaction during a period of high customer demand.<sup>(1)</sup> The survey was conducted the week of May 23 through May 27, 1988.

(1) Because driver's licenses expire on the applicants' birthdays, customer demand at driver's license stations varies by the day of the week. For example, Mondays and Fridays tend to have a higher volume of customers than the middle of the week. Title stations on the other hand, have volume increases during the last week of the month because vehicle registrations expire at the end of the month.

Auditor General staff were present at each station to conduct the survey, and staff attempted to distribute a survey to each person who entered a survey station to conduct a transaction (walk-ins). Customers were asked to return the completed survey to the Auditor General staff upon completion of their transaction.

The total walk-in customers as reported by MVD station staff for the week of the survey was 11,054. Of those 11,054 walk-in customers, Auditor General staff were able to distribute 8,959 surveys, covering 81 percent of all walk-in customers. Of the 8,959 surveys distributed, 6,230 completed surveys were returned, for a 69.5 percent return rate for those who received a survey. Since there were 11,054 walk-in customers and 6,230 surveys completed, 56.36 percent of all customers at the stations surveyed returned a completed survey. Response rate by station by day of the week is listed in Table 11.

**TABLE 11**  
**RESPONSE RATE**  
**FOR CUSTOMER SURVEY**

	Surveys Returned by Day					Weekly Total	Total Walk-ins	WK Total/ Walk-ins
	Day 1	Day 2	Day 3	Day 4	Day 5			
Mesa	207	159	155	155	143	819	1,622	50.49%
Encanto	150	149	125	130	112	666	1,194	55.78%
Tucson-Main	195	176	237	167	225	1,000	1,626	61.50%
Tucson-East	271	269	236	288	272	1,336	1,708	78.22%
Ajo Way	147	257	293	265	186	1,148	2,937	39.09%
Yuma DL	146	106	101	101	113	567	541	104.80%(a)
Yuma T&R	158	131	129	110	166	694	1,426	48.67%
Totals	1,274	1,247	1,276	1,216	1,217	6,230	11,054	56.36%

(a) Only completed transactions are recorded as walk-ins by Yuma driver's license station. Many who completed surveys did not complete transactions.

## APPENDIX II

### DRIVING RECORDS OF DRIVERS USED IN CASE EXAMPLES

---

#### Case One (Finding III, page 25)

- October 1983 - Driver was convicted of speeding. Received three points on his driving record and was fined \$81 by the court.
- November 1983 - Driver was convicted of driving under the influence. He pleaded guilty and the court ordered a 30-day suspension. He received eight points on his driving record.
- January 1984 - Driver received a 30-day suspension on January 11. In less than two weeks MVD suspended his license again for a 15-month period, effective until April 1985.
- March 1984 - Driver was convicted once for speeding and once for failure to obey traffic signals. He was fined \$183 by the court for the speeding violation.
- May 1984 - The court ordered an indefinite suspension<sup>(1)</sup> of this individual's license for failure to pay the fine for a previous violation.
- July 1984 - Driver was convicted of driving under suspension/revocation (the record did not indicate the penalty imposed). He was also convicted of speeding on the same day. He was fined \$50 by the court for the speeding violation.
- October 1984 - The court ordered a indefinite suspension for failure to pay the fine for the previous speeding violation.
- November 1984 - Driver received a six-month suspension, effective until May 1985.
- November 1985 - Driver was convicted of two violations on the same day: one for driving under suspension/revocation and one for failure to obey a traffic control signal legend. The court fined this individual \$69 for driving under suspension/revocation.
- January 1986 - Driver was convicted for a violation of financial responsibility laws. The court ordered a 90-day suspension, effective until April 1986.

---

(1) A suspension ordered by the court for failure to pay a fine or failure to appear in court (traffic complaint suspension) is indefinite. The suspension order will remain in effect until the individual satisfies the court's request for payment or appearance in court.

- April 1986 - Driver was convicted of two violations on the same day: one for speeding and one for not having registration. He was fined \$50 for the speeding violation and \$411 for the registration violation.
- May 1986 - Driver was convicted of not having registration and fined \$411. He was also convicted the same day for not carrying a legible license and fined \$35.
- June 1986 - Driver's license was suspended indefinitely for failure to pay two previous fines.
- July 1986 - Driver was referred to Traffic Survival School for accumulating eight to 14 points on his record. His license was also suspended indefinitely by the courts for failure to pay previous fines.
- November 1986 - Driver was convicted of speeding. MVD generated a six-month suspension, effective until May 1987, for reckless driving.
- January 1987 - Driver's license was suspended by the court for failure to pay the fine or failure to appear in court for a previous violation.
- February 1987 - Driver was convicted of two violations on the same day: one for driving under suspension/revocation and one for failure to notify MVD of a change of address. He was sentenced to one day in jail for the first violation and fined \$35 for the second violation.
- April 1987 - Driver's license was suspended indefinitely by the court for failure to pay the fine or failure to appear in court for a previous violation.
- May 1987 - Driver was convicted of two violations on the same day: one for driving under suspension/revocation and one for financial responsibility violation. He was fined \$500 and according to a court clerk was sentenced to two days in jail for the first violation.
- June 1987 - Driver was convicted once for driving under suspension/revocation. Three weeks later he was convicted of speeding and for lack of financial responsibility. He was fined \$55 for the speeding violation.
- September 1987 - Driver's license was suspended indefinitely by the court for failure to pay or failure to appear in court for previous violations.
- January 1988 - Driver was convicted of 11 violations on the same day. The convictions include: driving under suspension/revocation, speeding, financial responsibility violation, failure to obey a stop sign, driving on the wrong side of the road, driver's license restriction violation, and failure to stop on command of a peace officer. MVD sent this individual a warning letter for first conviction of driver's license restriction violation.

- February 1988 - MVD revoked this individual's license for a minimum of 12 months. He was considered a habitually reckless or negligent driver.

**Case Two (Finding III, page 25)**

- December 1984 - Driver was convicted of speeding and fined \$41.
- January 1985 - Driver was convicted of failure to obey a traffic control signal legend and fined \$27.
- February 1985 - Driver was convicted of speeding and fined \$68.50.
- May 1985 - Driver was convicted of two violations on the same day: one for driving on the wrong side of the road and one for failure to obey a stop sign.
- June 1985 - Driver was convicted of driving on the wrong side of the road and fined \$15.
- July 1985 - On July 15 individual's license was suspended indefinitely by the court for failure to pay or failure to appear in court for previous violations. Two weeks later (July 28th) he was convicted of driving under suspension/revocation and fined \$142.
- September 1985 - Driver was convicted of reckless driving and fined \$150.
- November 1985 - Driver's license was suspended indefinitely by the court for failure to pay or failure to appear in court for a previous violation.
- December 1985 - This individual was referred to Traffic Survival School by MVD for accumulation of points.
- June 1986 - Driver was convicted of driving under the influence and was fined \$372. MVD generated a 30-day license suspension effective until July 1986.
- July 1986 - MVD revoked this individual's license for a year due to the DUI conviction in June. Thus, this individual's license revocation was in effect until July 1987. Three weeks later MVD generated a six-month suspension. However, for the first 60 days of the suspension period MVD issued a detailed license restriction allowing him to drive to and from work only.
- September 1986 - Driver was convicted once for driving under suspension/revocation and once for speeding. He was fined \$168 for the first conviction and \$64 for the speeding conviction.

- November 1986 - Driver was convicted of driving without a valid driver's license on November 4th. Three weeks later he was convicted of driving under suspension/revocation. He was fined \$40 for not having a driver's license and \$168 for driving under suspension. MVD extended the license revocation for another year through July 1988 due to the driving under suspension/revocation conviction in September.
- January 1987 - MVD extended the license revocation for another year effective until July 1989 based on the November conviction of driving under suspension/revocation.
- April 1987 - Driver was convicted of a failure to remain within the designated lane of traffic. He was fined \$32.
- June 1987 - Driver was referred to Traffic Survival School on June 1st for accumulation of points. Four days later he was convicted of driving under suspension/revocation and fined \$165.
- July 1987 - Driver was convicted of driving under suspension/revocation and fined \$137.
- August 1987 - MVD generated a six-month suspension for failure to attend Traffic Survival School in June 1987.

APPENDIX III

TABLE 12

CALCULATION OF STAFF NEEDED  
TO PROCESS CITATIONS

	<u>MAJOR</u>	<u>MINOR</u>
Citations needing processing <sup>(a)</sup>	82,600	245,600
Number of months to process <sup>(b)</sup>	3	6
Citations to be processed/month	<u>27,533</u>	<u>40,933</u>
Direct hours available in a month <sup>(c)</sup>	148	148
Citations to be processed/day	<u>186</u>	<u>276</u>
Standard number of citations processed/hour <sup>(d)</sup>	35	40
Total number of staff needed	5.3	6.9
Current staff available for processing	(3.0)	(2.0)
Additional staff needed for processing	<u>2.3</u>	<u>4.9</u>

- (a) This number is based on the current backlog plus an estimate of incoming citations over the months it would take to eliminate the backlog.
- (b) This is an arbitrary number of months that would allow the staff to work on the backlog and at the same time keep up-to-date on incoming citations. Major citations were given a shorter period of time since they are a higher priority.
- (c) Assumes staff work 85 percent direct time per year. A normal work year contains 2,088 hours, thus 85 percent would provide 1,775 hours per staff year.
- (d) According to MVD staff, the standard for processing major citations is 35 an hour and the standard for minor citations is 40 an hour. According to MVD staff, it takes longer to process major citations because the driving record has to be reviewed before to input to determine if the citation is already on the system.

Source: Auditor General staff calculation of MVD citation backlog figures.