



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

MANAGEMENT AUDIT

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY'S
VEHICLE EMISSIONS TESTING PROGRAM

OCTOBER 2001

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*To the Legislative Audit Commission, the Speaker
and Minority Leader of the House of
Representatives, the President and Minority Leader
of the Senate, the members of the General
Assembly, and the Governor:*

This is our report of the Management Audit of IEPA's Vehicle Emissions Testing Program.

The audit was conducted pursuant to Legislative Audit Commission Resolution Number 119, which was adopted July 25, 2000. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

A handwritten signature in black ink, appearing to read "William G. Holland".

WILLIAM G. HOLLAND
Auditor General

Springfield, Illinois
October 2001

REPORT DIGEST

Management Audit

IEPA'S VEHICLE EMISSIONS TESTING PROGRAM

Released: October 2001



State of Illinois
Office of the Auditor General

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SYNOPSIS

Illinois tests the emissions of gasoline powered vehicles that are more than four model years old. These tests are performed in the Chicago and Metro-East St. Louis areas which have exceeded federal air quality standards. IEPA uses a contractor named Envirotest Illinois, Inc. (Envirotest) and the program's total cost is approximately \$50 million per year. In calendar year 2000, Envirotest performed 1,647,995 emissions tests and 8.4 percent of the vehicles tested failed, mostly vehicles older than 1990.

This management audit of Illinois' vehicle emissions testing program was conducted pursuant to Legislative Audit Commission Resolution Number 119. Our results include:

TRAINING: The contract with Envirotest requires IEPA to monitor and grade tests given to the contractor's lane inspectors and State statute requires lane inspectors to be certified by IEPA. However, the contractor trains its employees, gives tests, grades tests, and certifies its employees. Two-thirds of the 97 employees' training records we randomly sampled lacked some documents.

DAMAGE CLAIMS: In calendar year 2000, 1,043 motorists filed damage claims and Envirotest paid 220 claims. The total amount paid was \$74,649 for an average of \$339 per damage claim.

- Envirotest is responsible for receiving, recording, and deciding whether to pay damage claims. IEPA receives monthly reports on damage claims but does not review Envirotest's handling of individual damage claims.
- Vehicle emission tests are videotaped but motorists are not informed they can see the videotape.

OPERATIONS: IEPA reported that motorists waited 7½ minutes on average before their test, or half the time allowed by contract.

- Motorists we surveyed generally were satisfied with the test process and personnel and gave a rating of 4.12 out of 5.00.
- IEPA lacked a written policy and procedures manual for this program involving a nine-year contract worth \$392 million.
- IEPA imposed \$731,045 in liquidated damages on Envirotest in FY 2000, such as for incorrect testing procedures.

TESTS USED BY STATES: Illinois uses the I/M 240 test which is the most enhanced vehicle emissions test according to U.S. EPA. The I/M 240 test is used by six states while other states (e.g., California, New York, Texas) use less comprehensive tests.

RECOMMENDATIONS: We made 10 recommendations which IEPA and Secretary of State accepted and agreed to implement.

REPORT CONCLUSIONS

Illinois tests the emissions of certain gasoline powered vehicles that are more than four model years old. These tests are performed in the Chicago and Metro-East St. Louis areas which have exceeded federal air quality standards. IEPA uses a contractor named Envirotest Illinois, Inc. (Envirotest) and the program's total cost is approximately \$50 million per year. In calendar year 2000, Envirotest performed 1,647,995 emissions tests and 8.4 percent of the vehicles tested failed, mostly vehicles older than 1990.

- **MOTORIST SURVEY.** We conducted a mail survey of motorists whose vehicles had been tested in February 2001. Respondents (413 of 1,036 surveyed) were generally satisfied, giving the testing personnel and process an overall rating of 4.12 on a 5.00 scale.
- **TRAINING.** IEPA's contract with Envirotest requires the tests given to lane inspectors after their training to be monitored and graded by IEPA, and State statute requires lane inspectors to be certified by IEPA. However, the contractor trains its employees, gives the tests, grades the tests, and certifies its employees. Two-thirds of the 97 employees' training records we randomly sampled had some shortcomings (e.g., we could not determine if they received all training required by contract).
- **DAMAGE CLAIMS.** In calendar year 2000, 1,043 motorists filed damage claims and Envirotest paid 220 of the damage claims. The total amount paid was \$74,649 for an average of \$339 per claim. Envirotest directed 560 of the 1,043 motorists filing damage claims to a Claim Evaluation Center (CEC); 113 of the motorists took their vehicle to a CEC and Envirotest paid 21 of these damage claims.
- **APPEAL.** If Envirotest does not pay a damage claim (79% in calendar year 2000), motorists do not have any administrative recourse to a State agency even though the emissions test is required by the State. Motorists may either take their claim to binding arbitration with the Better Business Bureau or litigate in court.

MONITORING. IEPA has established a structure to monitor the contractor, although some procedures may be enhanced. The program did not have a written policy manual or procedures for this \$392 million contract. IEPA is now drafting a written manual.

OTHER STATES. We conducted a mail survey of states and received responses from 29 of 35 states with a vehicle emissions testing program which showed the following:

Motorists we surveyed were generally satisfied with testing personnel and process.

IEPA did not comply with State law and its contract regarding lane inspector training and certification.

If Envirotest does not pay a damage claim, motorists cannot appeal to IEPA.

The I/M 240 test is the most enhanced vehicle emissions test and it is used by only six states.

- **ENHANCED TEST.** The I/M 240 is the most enhanced vehicle emissions test according to the U.S. EPA and it is used by Colorado, the District of Columbia, Illinois, Maryland, Missouri, and Wisconsin.
- **OTHER TESTS.** Most states, including large states like California, New York, and Texas, used a less comprehensive test than the I/M 240 test.
- **PROGRAM CHANGES.** Since newer vehicles pollute less, changes are occurring in vehicle emissions testing programs nationally. For example, states are increasing the use of the vehicle’s computer to diagnose emissions and “remote sensing” to test vehicles as they drive by a sensor on a highway ramp. Florida discontinued its vehicle emissions testing program in 2000 when its air quality met federal standards. [Pages 1-4]

BACKGROUND

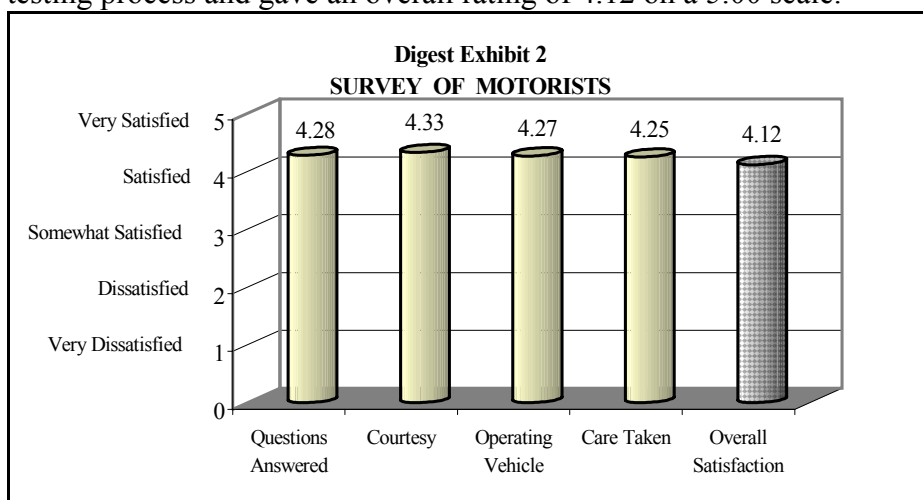
Legislative Audit Commission Resolution Number 119 directed the Auditor General to conduct a management audit of the Vehicle Emissions Inspection Program. Specifically, the Resolution requested a report on IEPA’s monitoring of the contractor, including the training of contractor employees and due care during inspections; the process to record and resolve complaints; and a comparison of Illinois’ emissions test with other states.

Congress enacted the Clean Air Act in 1970 to improve air quality and reduce air pollution. In 1977, the Clean Air Act was amended and broadened to include an Inspection and Maintenance (I/M) program. In 1983, the U.S. Environmental Protection Agency began formal sanctions to withhold federal highway

| |
|---|
| <p>Digest Exhibit 1 ILLINOIS VEHICLE EMISSIONS TESTING PROGRAM SUMMARY</p> |
| <p>STRUCTURE</p> <ul style="list-style-type: none"> • Purpose: Program was created to comply with the federal Clean Air Act. • Objective: An ozone non-attainment state must reduce air emissions by 3% per year. • Inception: May 1986 (basic idle test); February 1999 (enhanced I/M 240 test). • Test Failure: Vehicles are to be repaired and re-tested, or receive a waiver. <p>RESPONSIBILITIES</p> <ul style="list-style-type: none"> • Envirotec: Vehicle testing. • IEPA: Contract monitoring. • Secretary of State: Provide list of vehicles in testing area and enforce license and registration suspensions. <p>IEPA PROGRAM FUNDING</p> <ul style="list-style-type: none"> • FY 2000 Appropriations \$55,798,100 • FY 2000 Expenditures..... \$50,192,600 • FY 2001 Appropriations \$56,644,300 |
| <p>Source: IEPA.</p> |

funding from Illinois for failure to meet ozone health requirements. In response, Public Act 83-1477 created an I/M program known as the Illinois vehicle emissions testing program.

We conducted a survey of Illinois motorists whose vehicles’ emissions were tested at one of the 35 test stations in February 2001. A total of 1,036 motorists were selected randomly and mailed a written survey questionnaire which asked them to rate their level of satisfaction; 413 returned the survey questionnaire. As shown in Digest Exhibit 2, motorists generally responded that they were satisfied with the emissions testing process and gave an overall rating of 4.12 on a 5.00 scale.



SURVEY QUESTIONS

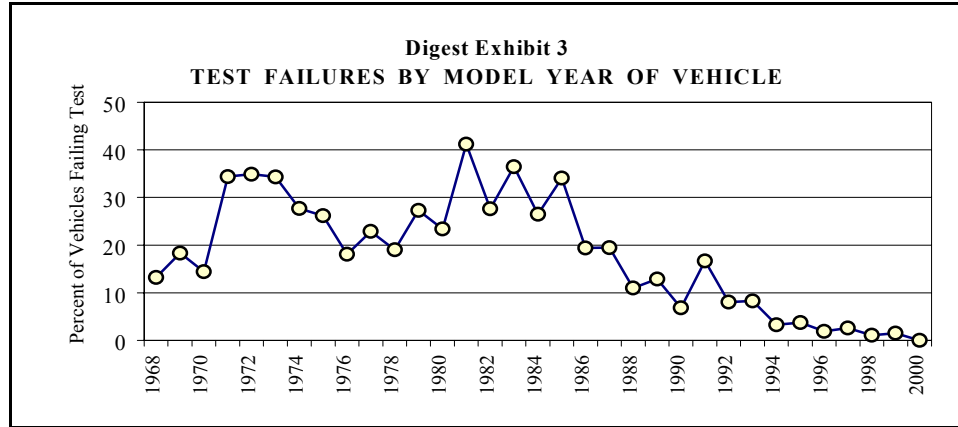
1. Please rate your level of satisfaction with how personnel at the testing facility:
 - A. answered any questions you had
 - B. were courteous to you
 - C. knew how to operate your vehicle
 - D. took care of your vehicle
2. Overall, what was your level of satisfaction with how the test was conducted?

Source: Illinois Auditor General’s survey of motorists whose vehicles’ emissions were tested in February 2001.

Motorists responding to our mail survey said they were generally satisfied with the vehicle emissions testing process and personnel.

A recent report drafted in 2001 by the National Academy of Sciences, pursuant to a request by the U.S. Congress, questioned the level of effectiveness of I/M programs. The U.S. EPA’s initial response generally concurred with that assessment and other findings and recommendations. The report titled “Evaluating Vehicle Emissions Inspection and Maintenance Programs” was prepared by the Academy’s National Research Council.

Digest Exhibit 3 shows that, in terms of percentages, most of the vehicles that failed the Illinois vehicle emissions test were vehicles manufactured before 1990. [Pages 4-20]



Source: Calendar year 2000 test results from IEPA.

TRAINING

IEPA and Envirotest have established a training program for Envirotest lane inspectors which consists of 40 hours of classroom training and 40 hours of field training for lane inspectors, and an additional 144 hours for managers. The contractor also has detailed written manuals that are used to train its lane inspectors and managers in conducting vehicle emissions tests and in serving customers. However, the training records kept by the contractor did not demonstrate that all the required training had been provided to its employees in 66 of 97 training records sampled.

Two-thirds of the contractor’s training records randomly sampled did not demonstrate that all required training had been provided.

- **INSPECTORS.** Our random sample of training records showed that 16 of 63 lane inspectors (25%) did not have all the required training hours documented and the training records of 16 more lane inspectors included some questionable training hours.
- **MANAGERS.** None of the contractor’s 34 test station managers in our random sample had complete training records. They were missing at least one of the following records: training hours, written exam results, or checklists documenting field training.
- **COMPLIANCE.** IEPA did not comply with two requirements pertaining to the training of contractor employees. First, IEPA’s contract with Envirotest requires the tests to be “*monitored and graded by the Agency*” and State statute requires lane inspectors to be certified by IEPA. However, the contractor trains its employees, gives the tests, grades the tests, and certifies its employees.
- **FEDERAL REGULATIONS.** IEPA did not comply with a federal regulation which states that IEPA field auditors be formally trained

in specifically listed areas pertaining to vehicle emissions testing. IEPA has 44 field monitoring personnel who conduct, or review, test station audits.

Proper training is important because the turnover rate for lane inspectors was 100 percent in fiscal year 2000. The audit recommended that IEPA monitor the training required by the contract, grade the tests as required by the contract, certify the lane inspectors as required by State law, and provide IEPA’s test station monitoring personnel the training that is required by federal regulations. IEPA accepted the recommendation and responded that the Agency has taken over the responsibility to certify the contractor’s lane inspectors and to verify the completeness of the contractor’s training records. [Pages 21-31]

DAMAGE CLAIMS

In calendar year 2000, Envirotest conducted approximately 1.65 million vehicle emissions tests. As shown in Digest Exhibit 4, Envirotest recorded 1,043 damage claims from motorists and paid 220 of the damage claims (21%). The total amount paid was \$74,649 for an average of \$339 per claim.

1,043 motorists filed damage claims in calendar year 2000 of which 220 claims were paid.

| Digest Exhibit 4 DAMAGE CLAIMS PROCESSED Calendar Year 2000 | |
|---|--------------|
| TOTAL CLAIMS | 1,043 |
| CLAIMS NOT PAID | 819 |
| <ul style="list-style-type: none"> • Time Limit (closed if not taken to CEC within 3 weeks) 452 • Denied..... 330 • Apology Issued 22 • Other (e.g., repair estimates/receipts not provided by motorists) 14 • Envirotest insurance company denied 1 | |
| CLAIMS PAID | 220 |
| <ul style="list-style-type: none"> • Purchase Order issued at station 51 • Paid after Envirotest review 140 • Paid after CEC review 21 • Paid after BBB arbitration 8 | |
| DAMAGE CLAIMS PENDING | 4 |
| Source: Envirotest. | |

Envirotest is responsible for receiving, recording, and deciding whether to pay damage claims. IEPA receives monthly reports on damage claims but does not review Envirotest’s handling of individual claims.

Motorists submit damage claims directly to Envirotest which decides whether to pay, often after requiring motorists to take their vehicles to a third-party Claim Evaluation Center

(CEC). There are 34 CECs which are selected and paid \$25 by Envirotest for each evaluation.

Envirotest directed 560 of the 1,043 motorists filing damage claims to take their vehicle to a CEC. Only 113 of these motorists (20%) took their vehicle to a CEC and Envirotest paid 21 of these damage claims.

Some states are involved in the damage claim process.

If Envirotest does not pay a damage claim, as it did not 79 percent of the time in calendar year 2000, motorists do not have any administrative recourse to a State agency even though emissions testing is required by the State. Motorists may either take their claim to binding arbitration with the Better Business Bureau or litigate in a court of law. Some other states indicated in our survey that they are involved in resolving damage claims:

1. California Mediation by Bureau of Automotive Repair
2. Colorado Involved with rejected or contested claims
3. Delaware Claim filed with state
4. Kentucky (Louisville) ... Arbitration by Air Pollution Control District
5. New York..... Investigation by Department of Motor Vehicles
6. Oregon Tort claim filed with state
7. Wisconsin Unresolved claims investigated by state

The audit recommended that IEPA be more involved in the damage claims process to ensure that the contractor’s records are accurate and that legitimate damage claims are paid promptly. IEPA accepted the recommendation and responded that the Agency now participates in the damage claim meetings held by the contractor and verifies that decisions made by the contractor pertaining to damage claims are documented and result in payment on all legitimate damage claims. [Pages 33-45]

MONITORING

The IEPA vehicle emissions testing program has established a structure to monitor the contractor; however, some monitoring methods and procedures may be enhanced. The program did not have a written policy manual or written procedures for its test station monitoring personnel and for imposing liquidated damages, although this is a program involving a nine-year contract worth \$392 million.

The program did not have written policies and procedures but they are now being developed.

In calendar year 2000, IEPA State Inspectors completed 25,927 daily test procedure monitoring reports which evaluate Envirotest’s testing procedures; the maximum number of daily test procedure monitoring reports that could have been prepared was 52,740 if all were completed (i.e., if no vacancies or time off for sick, vacation).

IEPA imposed a total of \$731,045 in liquidated damages on Envirotest for non-compliance with the contract in FY 2000, such as for excessive wait time and performing the incorrect testing procedures. This included \$53,391 in liquidated damages for 1,826 violations reported by IEPA test station monitoring personnel – half (946) for not performing a required pre-safety check which may help reduce damage claims.

The audit recommended that IEPA establish a written policy manual to guide program operations, establish written procedures for imposing liquidated damages, and follow-up on the liquidated damages to ensure that the contractor is taking corrective action. IEPA accepted the recommendations and responded that it has now initiated the development of a more formal, written policy manual that will describe the specific methods and procedures to be used. [Pages 49-64]

PROGRAM OPERATIONS

State statute and IEPA’s contract with Envirotest establish limits on the time that motorists should have to wait in line before their vehicles are tested. The statute requires that wait time not exceed 20 minutes and the contract sets the daily average wait time at test stations to be under 15 minutes. IEPA found that in 75 instances (beyond the four days per month per test station that is permitted) the 15-minute daily average wait time was exceeded by test stations and imposed \$174,500 in liquidated damages in FY 2000.

IEPA reported that in calendar year 2000, motorists waited an average of 7½ minutes in line before the test was administered, or half the 15-minute average wait time limit in the contract. However, in early 2000, IEPA’s test station monitoring personnel reported that the contractor was using improper procedures when manually entering wait time; this may have lowered wait time averages.

Vehicle emissions tests are videotaped and reviewed by the contractor when damage claims are filed by motorists. We received conflicting information from IEPA and the contractor about whether motorists can see the videotape of their test when they file a damage claim. Furthermore, motorists are not informed that they can see their test’s videotape, such as when they file a damage claim.

The audit recommended that IEPA ensure that manually entered wait time information is monitored more closely by its test station monitoring personnel, and that IEPA direct the contractor to inform motorists who file a damage claim that they may view a videotape of their vehicle’s emissions test. IEPA accepted the recommendations and responded that it is adding procedures to ensure that manually entered wait times are closely scrutinized. In addition, IEPA responded that the contractor has revised correspondence advising motorists filing a damage claim that they can set up a time to view the videotape of their emission test. [Pages 65-74]

IEPA reported that motorists waited 7½ minutes in line before the test – half the contract limit of 15 minutes.

Vehicle emissions are videotaped but motorists are not informed that they can see their videotape.

OTHER STATES

We contacted the 35 states known to have a vehicle emissions testing program in fiscal year 2000. A total of 29 states responded to our mail survey questionnaire. Illinois was one of six responding states which uses the I/M 240 test to inspect vehicles’ emissions. The I/M 240 is the most enhanced (comprehensive) test being used by the states, according to the U.S. EPA.

- **CENTRALIZED.** Illinois requires vehicles’ emissions to be tested at stations that have been specially constructed for emissions testing only. This type of testing network is known as “centralized” and is used by 13 states who responded to our survey, including Illinois. States with centralized networks used a contractor (primarily Envirotest), except for Delaware, District of Columbia, and Oregon which operated their own programs.
- **DECENTRALIZED.** Another 13 responding states had a “decentralized” network in which vehicles were tested at private garages.
- **HYBRID.** The remaining three responding states had a “hybrid” network which combined the features of centralized and decentralized testing networks.
- **CHANGES.** Several states were making changes to their vehicle emissions testing program. Many states were planning to use On-Board Diagnostic testing to inspect the emissions of vehicles manufactured in 1996 or later.
 - R Missouri, which uses the I/M 240 test, indicated it is also using remote sensing to test 30 percent of the vehicles as they drive by a sensor on a highway ramp, rather than requiring the vehicle be taken to a test station.
 - R Colorado and Oregon are adding remote sensing.
 - R Florida eliminated its vehicle emissions testing program in 2000 after its air quality met federal standards.

States are beginning to test more vehicles on the highway using “remote sensing” and using newer vehicles’ On-Board Diagnostic system.

IEPA program managers stated they are concerned about funding for the vehicle emissions testing program after their three year allocation of federal Congestion Mitigation and Air Quality program funds is complete. They have been allocated \$25 million per year in CMAQ funds through the Illinois Department of Transportation for the first three years of the program. [Pages 75-82]

ENFORCEMENT

Illinois uses a method of enforcing requirements of the vehicle emissions testing program that is known as “computer-matching.” This method identifies non-compliance by matching vehicle registrations with vehicles whose emissions have not been tested.

In our survey, 25 of 29 states responded that they use a different method called “registration denial” which requires vehicles to comply with the emissions testing program before vehicle registrations can be renewed. Illinois uses a different method which requires sending up to five reminders and warnings (totaling 2,253,668 in FY 2000). The cost of the enforcement program was \$2.25 million in FY 2000.

Illinois was the only state responding to our survey that suspends the driver’s license of a vehicle owner for not having the vehicle’s emissions tested. Illinois suspends the driver’s license of the vehicle owners 8 months after the assigned test month and suspends vehicle registration 10 months after the test month. Therefore, polluting vehicles could be legally driven by someone other than the vehicle’s owner for two more months.

Given that Illinois’ enforcement structure is different than other states, that it takes Illinois more time to effect enforcement, that not all the vehicles may be complying with the program, that Illinois has to use four different databases, and that Illinois’ enforcement structure may cost more, an effectiveness review may be warranted by IEPA and the Secretary of State’s Office to determine if changes in the enforcement method are needed. [Pages 83-90]

RECOMMENDATIONS

The audit made ten recommendations to improve the management of the vehicle emissions testing program. IEPA and Secretary of State agreed to implement the recommendations. Their responses are provided after each recommendation in the report and their complete written responses are reproduced in Appendix F.

WILLIAM G. HOLLAND
Auditor General

WGH/AD
October 2001

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Chapter One

INTRODUCTION

The Legislative Audit Commission adopted Resolution Number 119 directing the Office of the Auditor General to conduct a management audit of the Illinois Environmental Protection Agency's Vehicle Emissions Inspection Program (see Appendix A). This audit focused on the Resolution's determinations which requested the following:

1. Determine the extent to which IEPA monitors the vendor, including training of vendor employees and due care exercised during inspections.
2. Determine if the program has an effective process to record and resolve complaints.
3. Compare Illinois' vehicle emissions test with other states.

REPORT CONCLUSIONS

The Illinois Vehicle Emissions Inspection Law requires the Illinois Environmental Protection Agency (IEPA) to test the emissions of certain gasoline powered vehicles that are more than four model years old. Air pollution in the Chicago and Metro-East St. Louis areas had exceeded federal air quality standards, therefore, vehicles registered in these areas are subject to the emissions test.

PROGRAM. IEPA uses a contractor named Envirotest Illinois, Inc. (Envirotest) to test the emissions of vehicles and the program's total cost is approximately \$50 million per year. Envirotest and its predecessor companies have tested vehicles' emissions since the program began in Illinois in 1986; the current nine-year contract runs through January 2006. In calendar year 2000, Envirotest performed 1,647,995 vehicle emissions tests and 8.4 percent of the vehicles tested failed, mostly vehicles older than 1990 in terms of percentages.

- *Motorist Survey.* We conducted a mail survey of 1,036 motorists whose vehicles had been tested in February 2001. The 413 respondents indicated they were generally satisfied with the testing personnel and process and gave an overall rating of 4.12 on a 5.00 scale (with 5.00 being very satisfied).
- *Wait Time.* Motorists must take their vehicles to any of the 35 stations for the test. IEPA reported that in calendar year 2000 motorists waited an average of 7 ½ minutes in line before the test was administered, or half the 15-minute average wait time limit in the contract. However, in early 2000, IEPA's test station monitoring personnel reported that the contractor was using improper procedures

when entering wait time manually, which may have lowered wait time averages. Each test station is allowed four days per month when its average wait time may be more than 15 minutes before it is subject to liquidated damages of \$2,500 per day. In FY 2000, the 15-minute average wait time was exceeded 75 times (beyond the four days per month per test station) and IEPA imposed \$174,500 in liquidated damages.

TRAINING. IEPA’s contract with Envirotest requires the tests to be “*monitored and graded by the Agency*” and State statute requires lane inspectors to be certified by IEPA.

However, the contractor trains its employees, gives the tests, grades the tests, and certifies its employees. In addition, two-thirds of the 97 employees’ training records we randomly sampled had some shortcomings:

- *Managers.* None of the 34 test station managers we sampled had complete training files. In addition, the contractor did not track the hours of training received by managers as it did for lane inspectors; therefore, we were unable to determine if managers completed the 224 hours of training required by policy.
- *Lane Inspectors.* In our random sample, 16 of 63 contractor lane inspectors (25%) did not have complete documentation for us to determine if they received the 80 hours of required training. We also had some questions about the training hours of an additional 16 lane inspectors (e.g., training on Sunday when stations were closed, double counting some training hours).

DAMAGE CLAIMS. Envirotest performed approximately 1.65 million tests during calendar year 2000; of those tested, 1,043 motorists filed damage claims and another 195 motorists filed written complaints. Envirotest paid 220 of the damage claims filed (or 21%) totaling \$74,649 for an average of \$339 per claim. The damage claims process is administered by Envirotest and IEPA does not review the handling of individual damage claims.

- *Records.* We reviewed 555 damage claims and found that 84 (15%) either did not have the test Station Investigation Report on the damage claim or the report did not contain complete information.
- *Evaluation.* The contractor often requires a visual evaluation of damage claims by a third-party Claim Evaluation Center (CEC). There are 34 CECs selected and paid by Envirotest. In calendar year 2000, Envirotest directed 560 of the 1,043 motorists filing damage claims to take their vehicle to a CEC; 113 of the motorists took their vehicle to a CEC and Envirotest paid 21 of these damage claims.
- *Appeal.* If Envirotest does not pay a damage claim (79% in calendar year 2000), motorists do not have any administrative recourse to a State agency even though the test is required by the State. Motorists may take their claim to binding arbitration with the Better Business Bureau or litigate in court. Greater involvement by IEPA is needed to ensure legitimate damage claims are paid.

MONITORING. IEPA has established a structure to monitor the contractor, although some methods and procedures may be enhanced.

- *Procedures.* The program did not have a written policy manual, or written procedures for test station monitoring personnel and for imposing liquidated damages for this \$392 million contract. IEPA is now drafting a written manual.
- *Liquidated Damages.* IEPA imposed a total of \$731,045 in liquidated damages on Envirotech for non-compliance with the contract in FY 2000, such as for excessive wait time and performing incorrect emissions test procedures.
- *Site Monitoring.* In FY 2000, IEPA imposed \$53,391 in liquidated damages for 1,826 violations reported by test station monitoring personnel – half for not performing a required pre-safety check which may help reduce damage claims.

SALARY AND TURNOVER. The annual turnover rate for contractor lane inspectors (paid \$7.00 an hour starting salary) was 100 percent, which is in the middle of other states who paid a starting salary of between \$5.75 and \$10.50. Delaware, District of Columbia, and Oregon, which do not contract but operate their own programs, paid starting salaries of around \$10.00 an hour and had the lowest turnover rates of 8 to 20 percent.

OTHER STATES. From 1986 to early 1999, Illinois used a “basic idle” tailpipe test to measure the emissions of vehicles while they are stationary. Following changes in the federal Clean Air Act, Illinois upgraded in early 1999 to an “enhanced” test known as the I/M 240 which is performed on a dynamometer (treadmill). We conducted a mail survey of states and received responses from 29 of 35 states with a vehicle emissions testing program (see Appendix C).

- *Enhanced Test.* The I/M 240 is the most enhanced test and is used by Colorado, District of Columbia, Illinois, Maryland, Missouri, and Wisconsin.
- *Other Tests.* California, New York, Texas, and 10 other states use private test and repair facilities (garages). Motorists pay for these tests (\$6 in Tennessee to \$47 in Rhode Island), unlike in Illinois which does not charge motorists a fee for the test. Illinois receives \$30 million annually from the Motor Fuel Tax and another \$25 million from federal funds.
- *Program Changes.* As technology improves and newer vehicles pollute less, some changes are occurring in vehicle emissions testing programs nationally:
 - United States Environmental Protection Agency (U.S. EPA) regulations call for testing vehicles manufactured since 1996 by using the vehicle’s On-Board Diagnostic (OBD) system beginning in 2002. For example, Wisconsin is now using OBD to test 30 percent of vehicles.

- Missouri, which uses the I/M 240 test, is also using “remote sensing” to test 30 percent of vehicles as they drive by a sensor on a highway ramp, rather than drive to a central test station.
 - Colorado, which uses the I/M 240 test, is adding remote sensing while Oregon is planning to use remote sensing in the future.
 - Florida discontinued its vehicle emissions testing program in summer 2000 when its air quality attained federal standards.
- *Enforcement.* Unlike 25 of the 29 states that responded to our mail survey questionnaire, Illinois does not test vehicles’ emissions before license plate registrations can be renewed. The cost of Illinois’ enforcement program is \$2.25 million. Illinois is the only state responding to our questionnaire that suspends the driver’s license of the owners of vehicles whose emissions have not been tested.

BACKGROUND

Congress enacted the Clean Air Act in 1970 to improve air quality and reduce air pollution. The Act originally targeted stationary sources (e.g., factories) and mobile sources (motor vehicles) which provided the first congressional mandate for emission testing.

In 1977, the Clean Air Act was amended and broadened to include an Inspection and Maintenance (I/M) program. This program is to be operated in ozone and carbon monoxide non-attainment areas where air pollution exceeds federal health safety standards to reduce excessive exhaust emissions.

In 1983, the U.S. Environmental Protection Agency began formal sanctions to withhold federal highway funding from Illinois for failure to meet ozone health requirements. In response, Public Act 83-1477 created an I/M program known as the Illinois vehicle emissions testing program.

- **Carbon monoxide** (CO) is a colorless, odorless gas that may cause dizziness, difficulty in breathing, and even death. Carbon monoxide is formed from partially burned fuel.
- **Hydrocarbons** (HC) and **nitrogen oxides** (NO_x) combine with sunlight to form ground level ozone (smog) which can be harmful to people with heart and breathing-related diseases. Hydrocarbons emitted from automobiles consist mainly of unburned gasoline.

The program began conducting basic idle tests in 1986 on vehicles registered in the Chicago and Metro-East St. Louis areas. Air pollution in the Chicago and Metro-East St. Louis areas had exceeded federal health safety standards; therefore, vehicles registered in these areas are subject to the emissions test. These areas continue to be classified as non-attainment for ozone. In summer 2000, Chicago’s air quality did not exceed federal guidelines for ozone standards; however, three consecutive years of attainment are necessary to satisfy U.S. EPA requirements.

IEPA officials stated that *“although there are no ozone violations in the Illinois portion of the Lake Michigan area, there have been violations in Wisconsin and Michigan that*

Chicago area emissions contribute to.” They added that new federal emission measurements using the 8-hour standard instead of the current 1-hour standard will likely mean more stringent rules in the Chicago area in the future.

The 1986 program tested vehicles with a steady-state analysis of exhaust gas emissions at idle – also known as a “basic idle test” which measured pollution emitted when the vehicle was in parked gear. Idle exhaust inspections were required of most passenger cars and light and heavy-duty trucks registered in the inspection areas. Vehicles were tested annually with testing beginning in the second calendar year after the vehicle model year.

CLEAN AIR ACT – 1990 AMENDMENT

Beginning in the early 1980’s, tougher federal emission requirements for vehicles, such as three-way catalytic converters and computerized engine controls, resulted in limiting the effectiveness of the idle test to identify gross polluting vehicles. Accordingly, the Clean Air Act was amended in November 1990 to require “enhanced testing” of vehicles.

The Clean Air Act of 1990 expands the scope of inspection/maintenance (I/M) programs and calls for either basic or enhanced I/M programs in a number of areas depending on the severity of pollution. The level of pollution in an area can be affected by climatic conditions, such as temperature (heat and sun increase smog), or wind patterns (which can blow away, stall, or bring in pollution). Air pollution also depends upon the area’s vehicle fleet, such as the number of vehicles, vehicle miles traveled, type of vehicles, their age, type of fuel used, and the composition of fuels used.

According to IEPA, vehicle emissions are a significant source of the pollution that create ground ozone (smog). Ground level ozone is generated by mixtures of carbon monoxide, nitrogen oxides, and hydrocarbons and is created when these pollutants are mixed with hot, sunny weather.

Ground ozone is different from ozone in the stratosphere which protects us from ultraviolet radiation. Diesel fumes may also be hazardous to health but they do not significantly contribute to ozone formation to the same degree as gasoline engines.

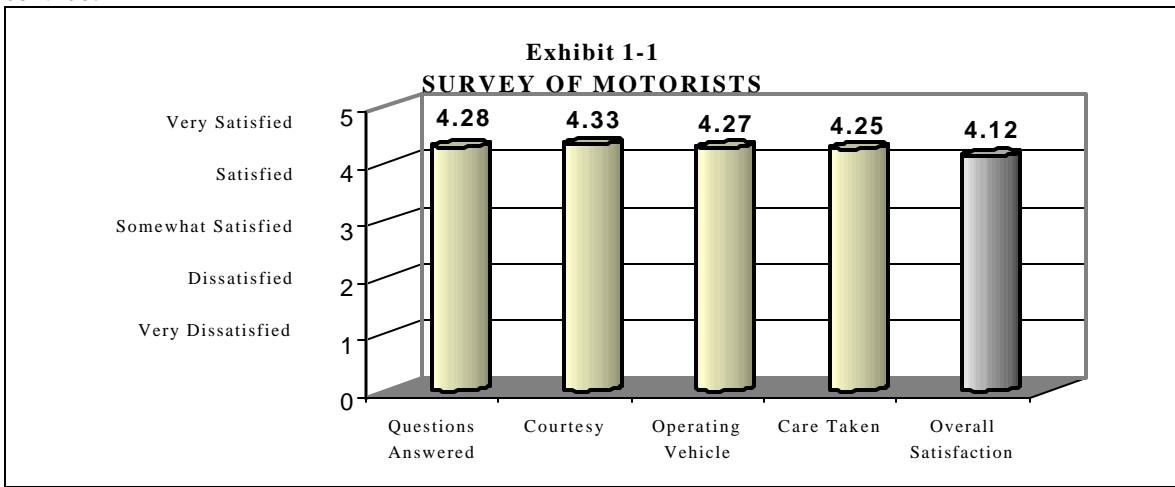
IEPA stated after reviewing the draft audit report that the I/M program is a major component of Illinois’ overall air quality strategy to meet the health-based air quality standard for ozone and noted the following:

As the National Academy of Sciences (NAS) Committee on Vehicle Emission Inspection and Maintenance Programs (I/M) recently recognized, “I/M (Inspection and Maintenance) programs are one of the most significant control strategies states use in their pollution reduction strategies” The emission reductions stemming from the I/M program are cited by the IEPA as a significant contributing factor that has helped the Chicago area obtain compliant levels of ozone for the 1999-2001 period. IEPA plans to

petition the USEPA at the end of 2001 to have Chicago designated as attainment for ozone which will make it the largest metropolitan area in the country to go from serious nonattainment for ozone to attainment.

MOTORIST SURVEY

We conducted a survey of Illinois motorists whose vehicles' emissions were tested at one of the 35 test stations in February 2001. Motorists were selected using randomly generated computer numbers and mailed a written survey questionnaire which asked them to rate their level of satisfaction. We sampled 1,036 motorists, of which 413 completed and returned the survey questionnaire. As shown in Exhibit 1-1, motorists generally responded that they were satisfied with the emissions testing process. Motorists also wrote comments about wait time, damage claims, and good service.



SURVEY QUESTIONS

1. Please rate your level of satisfaction with how personnel at the testing facility:
 - A. answered any questions you had
 - B. were courteous to you
 - C. knew how to operate your vehicle
 - D. took care of your vehicle
2. Overall, what was your level of satisfaction with how the test was conducted?

Source: Illinois Auditor General's survey of motorists whose vehicles' emissions were tested in February 2001.

Survey respondents wrote comments regarding various subjects, such as about good service (48), high wait time (30 comments), and damage claims (11). A few examples are provided below:

COMPLIMENTS

- "The technician was courteous. He was knowledgeable and capable. Obviously, changes were made since my last stop 2 years ago."
- "I think the team working there is great, they even alerted me to problems I might want to check out with my car. Although my car passed there [were] a few concerns. So I would like to thank the Air Team again."

- “I have been to this site before, when very busy or on different days. The site team is always professional & courteous and should be so recognized.”

WAIT TIME

- “It took 3 hours to get my car tested. I went on a Thursday morning at 10:00 a.m. and did not get finished [until] almost 1:00 p.m. There were only 8 cars ahead of me but only one lane [was open].”
- “When I pulled in . . . the sign stated there was less than a 15-minute wait. I waited 55 [minutes] before I was tested. When personnel [were] asked about this, I received a rude and curt answer – as if it were my fault and they had no responsibility for the timing.”

DAMAGE CLAIMS

- “My car was completely tuned prior to the February 2001 emission testing. I went for the test and watched as the car was revved up at high speeds for a long period of time. I was given the results as ‘FAILED’ . . . [Claim Evaluation Center] mechanics said the grueling test had finished off the oxygen sensors and they had to be replaced . . . and charged me \$574.29.”
- “Upon walking around to the left side of the car I noticed the rear left tire had gone flat. They denied it was . . . the fault of the emissions facility. They said it was already a problem before I came to them.”

Illinois’ program did not survey motorists whose vehicles’ emissions have been tested but Envirotest indicated that surveys would be administered in the future. In our survey, the following 12 states indicated that they conducted customer surveys: Colorado, District of Columbia, Delaware, Florida, Georgia, Kentucky, Maryland, Massachusetts, Ohio, Oregon, Rhode Island, and Utah (see Appendix C).

SCOPE AND METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit’s objectives are specified in Legislative Audit Commission Resolution Number 119, which calls for a management audit of the Illinois Environmental Protection Agency’s Vehicle Emissions Inspection Program (see Appendix A). The Resolution asks for the audit to report on IEPA’s monitoring, inspector training, process to administer motorist complaints, and comparisons with other states’ testing.

To address these subjects, this management audit examined the vehicle emissions testing program, including goals, operations, and outputs. We used criteria in State statutes, federal regulations, policies, and procedures, in addition to prudent business practices. We also made comparisons with other states’ vehicle emissions testing programs. We reviewed the program’s operations primarily from July 1999 to February 2001 and gathered information by using the following methods:

- Reviewed applicable State statutes and administrative rules, and federal regulations.
- Tested for compliance with applicable requirements.

- Examined policies, procedures, and processes pertaining to the vehicle emissions testing program.
- Interviewed officials at IEPA, Secretary of State’s Office, Envirotest, and U.S. EPA.
- Tested management controls at IEPA.
- Visited vehicle emissions testing facilities.
- Examined agency reports and records pertaining to:
 - Program operations (e.g., wait time, type of test, monitoring compliance).
 - Complaints, compliments, and damage claims, including reviewing 555 damage claim files.
 - Training, including sampling the training files of 63 inspectors and 34 station managers.
- Reviewed the overall structure of the networking environment established for IEPA and its contractor, Envirotest Illinois, Inc. Further, we reviewed controls over network security, including terminal passwords and access levels, and examined back-up procedures.
- Surveyed the 34 states and the District of Columbia known to have a vehicle emissions testing programs. A total of 29 states responded, including Illinois and the District of Columbia. For simplification, when referring to the number of *states* which responded to our survey questionnaire, we have included the District of Columbia. Two states (Kentucky and Utah) had different regions respond, however, since the regions were within a state they were counted as one state.
- Surveyed motorists whose vehicles’ emissions were tested in February 2001. We mailed a written survey to 1,036 motorists and received a response from 413.

The IEPA vehicle emissions testing program did not have a policy or procedures manual and other written procedures for program monitoring. Due to the absence of such written policies and procedures, which would establish management controls for the program and criteria for the audit, we relied upon program personnel to explain their processes and procedures.

The Office of the Auditor General (OAG) performs a financial and compliance audit of the IEPA biennially. We reviewed the relevant findings in the compliance audit.

The remaining chapters of this audit report address program background, training, damage claims, monitoring, operations, other states’ vehicle emissions testing programs, and other issues related to the vehicle emissions testing program.

Chapter Two

TESTING PROGRAM

CHAPTER CONCLUSIONS

In January 1994, Illinois passed the Vehicle Emissions Inspection Law of 1995 which led to the vehicle emissions test being enhanced. From 1986 to early 1999 the program used a basic idle test but has since used the enhanced inspection and maintenance (I/M) 240 test. Public Act 88-533 directed the Illinois Environmental Protection Agency (IEPA) to implement a centralized, test-only, enhanced I/M program in the Chicago and Metro-East St. Louis ozone non-attainment areas. Vehicles are required to be tested biennially after they are four model years old if they are registered in the Chicago or the East St. Louis metropolitan areas. In calendar year 2000, approximately 1.65 million vehicle tests were performed at the 35 stations operated by Envirotest in these metro areas.

VEHICLE EMISSIONS TESTING PROGRAM

In January 1994, Illinois passed the Vehicle Emissions Inspection Law of 1995 which led to the vehicle emissions test being enhanced (i.e., I/M 240). Public Act 88-533 directed IEPA to implement a centralized, test-only, enhanced I/M program in the Chicago and Metro-East St. Louis ozone non-attainment areas. The program's purpose is to reduce volatile organic compound emissions to meet U.S. EPA's requirements. The new Act requires IEPA to provide for the following program (625 ILCS 5/13B-10):

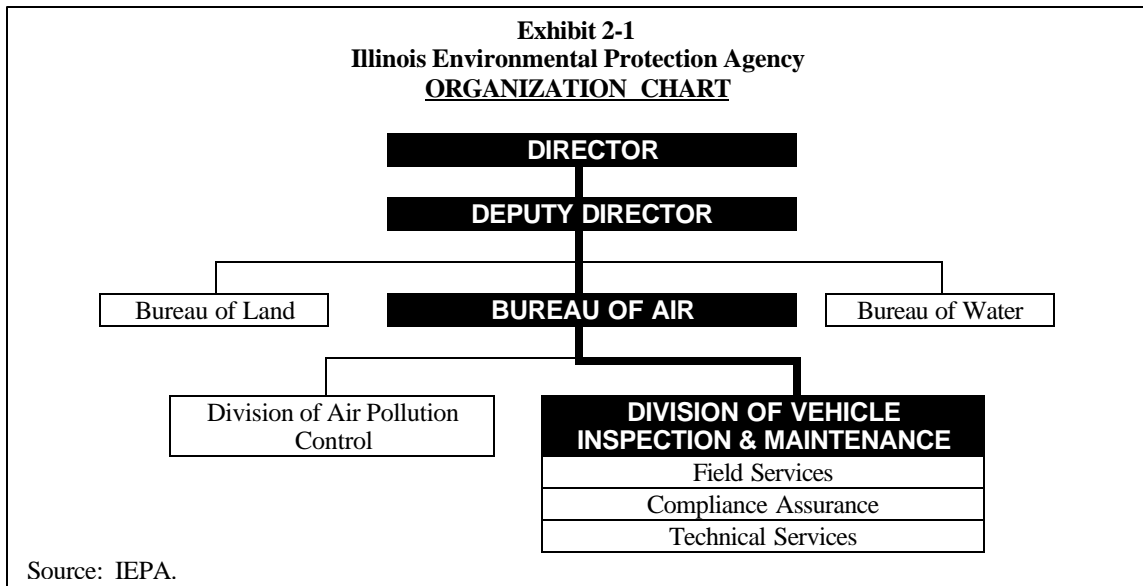
- Inspection of certain motor vehicles biennially after the vehicle is four model years old.
- Establishment and operation of official inspection stations.
- Designation of official test equipment and testing procedures.
- Training and supervision of inspectors and other personnel.
- Procedures to assure the correct operation, maintenance, and calibration of test equipment.
- Procedures for certifying test results and for reporting and maintaining relevant data and records.

| I/M 240 TEST |
|--|
| <ul style="list-style-type: none">• The I/M 240 is currently the most enhanced vehicle emissions tailpipe test being used by any state.• A lane inspector places a collector over the tailpipe for exhaust analysis and drives the vehicle on the dynamometer (treadmill).• A full I/M 240 test takes 4 minutes (240 seconds) and a vehicle is driven at various speeds up to 57 mph.• The test collects exhaust as the vehicle is accelerating, decelerating, cruising, and idling to get more complete data on emissions than the basic idle test used by Illinois from 1986 to early 1999. |

DIVISION OF VEHICLE INSPECTION AND MAINTENANCE

The vehicle emissions testing program is administered by the Illinois Environmental Protection Agency. Illinois' program is centralized, meaning that special facilities have been created by the State to test emissions, as opposed to a decentralized program where private test and repair facilities (garages) test and certify vehicles for compliance with emissions standards, and can repair vehicles that fail.

The vehicle emissions testing program is managed by IEPA's Division of Vehicle Inspection and Maintenance which is under the Bureau of Air (see Exhibit 2-1). The primary purpose of this Division is to enforce State vehicle emission standards by operating an inspection and maintenance program.



The three units under the Division of Vehicle Inspection and Maintenance have the following responsibilities:

- Field Services Section provides customer service through a Hotline and employs State Inspectors at each test site.
- Compliance Assurance Section is responsible for handling motorist correspondence, updating the vehicle emission testing program's database, maintaining program files, and handling special requests from motorists.
- Technical Services Section provides assistance that includes test program planning, design, and implementation; contractor management and oversight; data management and reporting; and data processing.

Program Funding

The program does not charge motorists a fee for having their vehicle’s emissions tested pursuant to State statute (625 ILCS 5/13B-50(a)). IEPA pays Envirotest approximately \$25 per emissions test which can vary based on the number of vehicles tested in a year and inflation.

To carry out the vehicle emissions testing program, Public Act 91-704 authorizes \$30 million per year from the Motor Fuel Tax. Approximately \$25 million per year has also been received from the federal Congestion Mitigation and Air Quality (CMAQ) program which is administered by the Illinois Department of Transportation. Exhibit 2-2 contains a summary of the program.

An additional \$48 million in CMAQ funds were paid for constructing the testing facilities and for equipment according to the Request for Proposal (incorporated as part of the contract): *“8.3.7.1 Test System Payments. Test System costs shall include the new buildings, equipment, site improvements and other related costs as specified in the Contractor’s Cost Proposal, including the \$48 million in CMAQ funds.”*

Envirotest Illinois, Inc.

IEPA has contracted with a private vendor to carry out the testing responsibilities under the Vehicle Emissions Inspection Law of 1995. The contractor is responsible for testing the emissions of vehicles, training and certifying its employees who test vehicles’ emissions, and paying for damage claims.

Illinois’ emissions testing has always been performed by essentially the same company. The original contractor in 1986 was Systems Control, Inc. which was purchased by Envirotest Systems Corp in 1992. Envirotest Systems Corp was purchased by Environmental Systems Products, Inc. (ESP) in 1998. Envirotest Illinois, Inc. (Envirotest) is a subsidiary of ESP.

ESP is the nation’s largest I/M program contractor and conducts 13 million tests annually in the U.S. and Canada. Envirotest operates the Illinois program under the name Air Team and conducted 1.65 million tests in calendar year 2000.

| Exhibit 2-2 ILLINOIS VEHICLE EMISSIONS TESTING PROGRAM SUMMARY |
|--|
| <p>STRUCTURE</p> <ul style="list-style-type: none"> • Purpose: Program was created to comply with the federal Clean Air Act. • Objective: An ozone non-attainment state must reduce air emissions by 3% per year. • Inception: May 1986 (basic idle test); February 1999 (enhanced I/M 240 test). • Test Failure: Vehicles are to be repaired and re-tested, or receive a waiver. <p>RESPONSIBILITIES</p> <ul style="list-style-type: none"> • Envirotest: Vehicle testing. • IEPA: Contract monitoring. • Secretary of State: Provide list of vehicles in testing area and enforce license and registration suspensions. <p>IEPA PROGRAM FUNDING</p> <ul style="list-style-type: none"> • FY 2000 Appropriations\$55,798,100 • FY 2000 Expenditures\$50,192,600 • FY 2001 Appropriations\$56,644,300 |
| Source: IEPA. |

ESP reports that it operates vehicle inspection programs in Colorado, Connecticut, Illinois, Indiana, Maryland, Missouri, Ohio, Tennessee, Washington, and Wisconsin, and the Canadian province of British Columbia. Five states using the I/M 240 test who provided data in our survey said that they contract with Envirotest or its parent company ESP; the sixth state which used the I/M 240 test, District of Columbia, operates the program itself.

| CURRENT CONTRACT | |
|-------------------------|---|
| • | Contract became effective May 19, 1997. |
| • | Contract ends January 31, 2006. |
| • | \$48 million paid to Envirotest for facilities and equipment. |
| • | Total maximum value of the 9-year contract is \$392 million, plus \$48 million in construction costs. |

ESP’s wholly-owned subsidiary, Remote Sensing Technologies, Inc., also provides remote sensing equipment and monitoring services in the United States and abroad. ESP reports having more than 3,000 employees, including 580 employees that operate the Illinois program.

Centralized Testing

According to IEPA, the Illinois program is the largest centralized vehicle inspection program in the United States. One benefit given by the U.S. EPA of centralized testing is that it is considered more reliable than the decentralized testing done at private test and repair facilities (garages).

IEPA program personnel noted that decentralized testing done at test and repair facilities carries the risk that unnecessary repairs may be performed, and that there is a risk of cheating in favor of the motorist. According to the U.S. EPA, some independent garages in decentralized programs have the capability to perform tests other than the basic idle test; however, they do not perform I/M 240 tests due to the high cost of equipment. IEPA personnel noted that charges by garages for idle testing may be higher than government sponsored idle testing programs because equipment and inspector training costs at garages have to be covered by fewer motorists.

The benefits of a decentralized program for motorists include more convenience due to a greater number of facilities and being able to combine testing with other vehicle servicing. Motorists may also feel more comfortable taking the vehicle to a facility of their choice.

I/M programs can be centralized, decentralized, or a hybrid of the two at the state’s discretion, but shall demonstrate that they achieve the same (or better) level of emission reduction as the applicable performance standard established by the U.S. EPA.

Decentralized networks that meet certain U.S. EPA criteria listed below may receive pollution reduction credits that are equal to centralized programs. The U.S. EPA considers such stations to be equivalent to a centralized, test-only system with comparable test elements. To be equivalent, decentralized networks must:

- Only perform official I/M testing (which may include safety-related inspections),

- Not engage in motor vehicle repair, service, sales, and leasing, and
- Be barred from referring vehicle owners to particular providers of motor vehicle repair services.

For other decentralized programs, the state must demonstrate that the program is achieving the level of effectiveness claimed. Officials from Region 5 of the U.S. EPA noted that the I/M 240 test provides Illinois the maximum emission reductions available for vehicle emissions testing when compared to other tailpipe test options. A complex computer model uses formulas and algorithms to predict how much pollution will be reduced by using various vehicle testing elements, such as:

- Type of test – basic single-speed idle test, 2-speed idle test, remote sensing test.
- Type of network – decentralized testing, centralized testing, and enhanced test.
- Types of vehicles that are subject to the test.
- Number of waivers that are given to vehicles that cannot pass the emission test after being repaired.
- Vehicle model years tested/exempted, among other factors.

The plan for reducing air pollution by a state is submitted to the U.S. EPA for approval and is called a State Implementation Plan (SIP). The SIP provides the methods that the state will use to reduce air pollution by targeting specified mobile and stationary sources. As previously noted, vehicle emissions testing is one component of states’ efforts to reduce air pollution; the other large component is control of emissions from stationary sources (chemical manufacturing, printing, agriculture, petroleum industry, rubber/plastic products, organic solvents, or any other business that produces emissions).

TESTING VEHICLES

U.S. EPA performance standards for I/M programs assume annual test frequency and coverage of all 1968 and later model year vehicles. However, federal regulations allow states to exempt vehicles by model year or by type, and allow biennial inspections if the state can show that the exemptions will not have a significant adverse effect on the program’s effectiveness. Illinois’ emissions testing program requires vehicles to be inspected biennially after the car is four model-years old.

Notification Process

The Secretary of State’s Vehicle Services Department provides vehicle registration data to Envirotest and IEPA via computer tapes each month. IEPA assigns vehicles subject to testing uniformly throughout the year to equalize the monthly work load.

IEPA mails an initial notice to the vehicle owner with instructions, station locations, and business hours one month prior to the assigned inspection month. Grace periods allow three additional months after the inspection month to have the inspection or to inform the IEPA about a change in status (e.g., vehicle is inoperative, junked, or out of the test area). A reminder notice is sent midway through the grace period (see Exhibit 2-3).

If the vehicle is not tested four months after the assigned test month, a 90-day notice of possible driver’s license suspension and vehicle registration suspension is sent by the Illinois Secretary of State; a second notice is also sent if the vehicle remains not inspected. The authority to suspend a license is provided by statute (625 ILCS 5/13B-55).

Vehicle owners can comply by having their vehicles tested anytime during the enforcement process, or can certify their compliance by signing and selecting a check off box on the test notice which says:

- Ownership has changed.
- The vehicle is located more than 100 miles (from the ozone non-attainment area).
- Vehicle is inoperable.

The last two items can receive a time extension to test the vehicle.

The Secretary of State is responsible for enforcing the emissions inspection law in accordance with State statute (625 ILCS 5/13B-55(b)) and a Memorandum of Understanding with IEPA. IEPA sends a list of non-complying vehicles to the Secretary of State on the second Tuesday of each month. The statute provides three forms of enforcement:

1. Driver’s license suspension.
2. License plate suspension.
3. \$300 fine.

| Exhibit 2-3 TIMELINE FOR TESTING VEHICLES | |
|--|---|
| SECRETARY OF STATE | |
| 1. | Vehicle Registration T Transmits vehicle registration data to IEPA and Envirotest |
| ENVIROTEST | |
| 2. | Test Month ✓ Assigns the test month to vehicles |
| IEPA | |
| 3. | Initial Test Notice T Issues 1 month before assigned test month |
| 4. | Warning Notice T Issues 2 months after assigned test month |
| SECRETARY OF STATE | |
| 5. | First Warning Notice of Driver’s License Suspension T Issues 4 months after assigned test month |
| 6. | Final Warning Notice of Driver’s License Suspension T Issues 5 months after assigned test month |
| 7. | Driver’s License Suspension Notice T Issues 6 months after assigned test month |
| 8. | Driver’s License Suspension T Implements 8 months after assigned test month |
| 9. | License Plate Suspension Notice T Issues 9 months after assigned test month |
| 10. | License Plate Suspension T Implements 10 months after assigned test month |
| <p>NOTE: A vehicle can comply anytime by passing the test; receiving a waiver, extension, or exemption; or no longer owning the vehicle.</p> <p>Source: IEPA and Secretary of State.</p> | |

Emissions Test

The length of the I/M 240 test varies depending on the vehicle’s emissions. According to the U.S. EPA, failure levels for vehicles undergoing I/M tests are generally two to three times higher than manufacturer certification standards for new cars. The I/M 240 test equipment continually monitors and assesses the emission levels to identify exceptionally clean or dirty vehicles. As soon as the emission rates indicate that a vehicle is exceptionally clean or dirty, the computer automatically notifies the inspector to stop testing and determine if the vehicle passed or failed. For vehicles that are close to the maximum allowable emission levels, the test may continue for a full 240 seconds.

A full I/M 240 test takes 4 minutes (240 seconds) and the vehicle is driven by a lane inspector at various speeds and loads up to 57 mph for approximately two miles following the speed chart (within 2 mph) published in federal regulations. The speed is displayed on a monitor to guide the lane inspector. Most vehicles, however, take less time because they are clean (meeting State emissions standards) and can “fast-pass” in as little as 31 seconds having traveled a distance of less than one mile at speeds no greater than 25 mph.

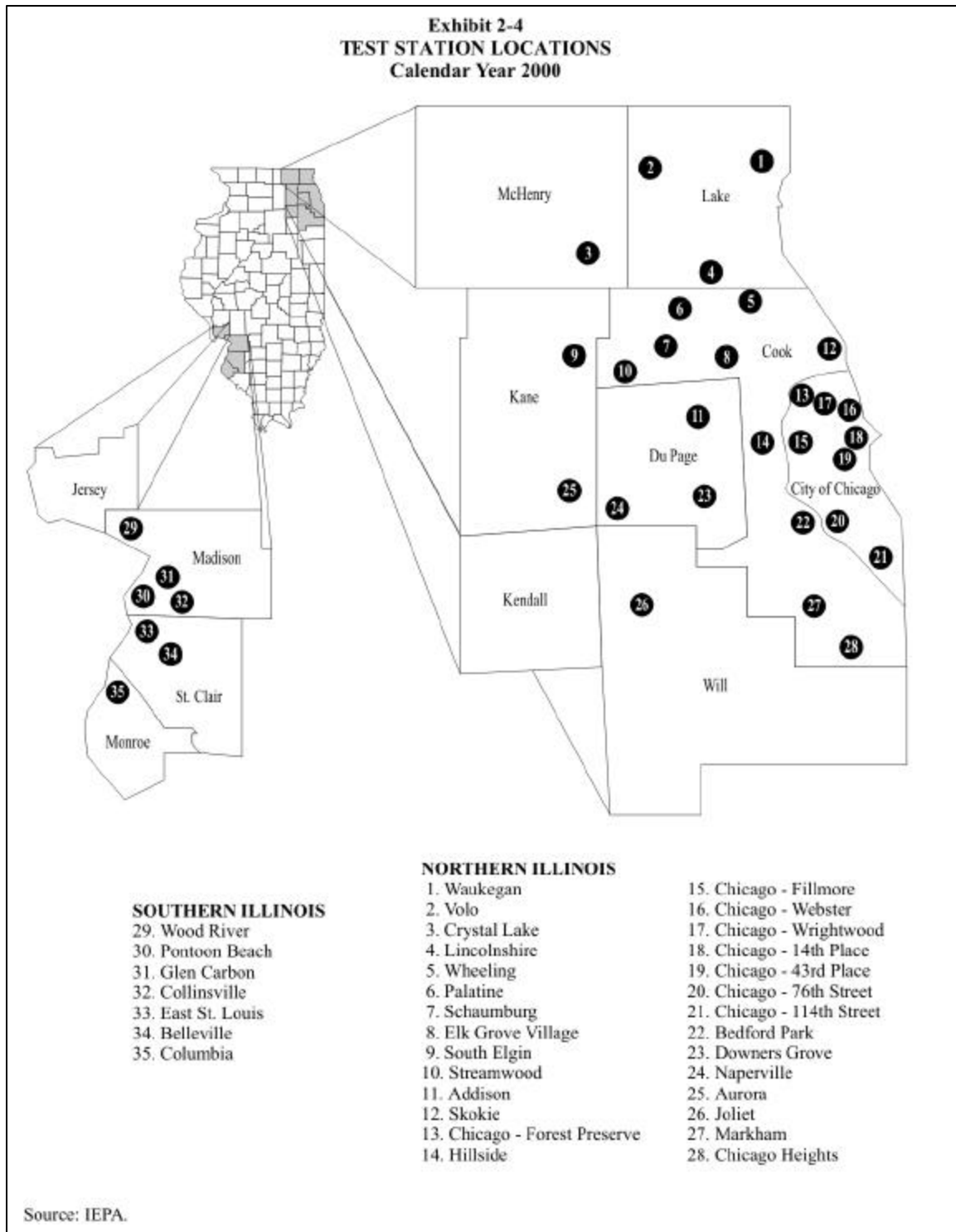
An emissions test can be performed at any of the 28 Chicago and 7 East St. Louis metropolitan locations which have a total of 139 lanes. Two inspectors normally operate each lane. The average wait time is expected to be no more than 15 minutes before the test. Exhibit 2-4 shows the locations of the 35 test stations.

Basic Test

From 1986 to early 1999, Illinois used a basic idle test to measure the emissions of vehicles. This test required placing a probe in the exhaust while the vehicle was idling. With technological improvements, today’s vehicles pollute considerably less than vehicles in the past.

In Illinois, most 1981 and newer vehicles are subject to the enhanced test on a dynamometer but vehicles from model years 1968 to 1980 are not computer controlled and are still tested using the previous idle test pursuant to statute (625 ILCS 5/13B-25(c)).

- Some other vehicles are also tested using the idle test, instead of the I/M 240, because they will not perform properly on the two-wheel dynamometer used in Illinois, such as vehicles with non-disengagable traction control or full-time four-wheel drive.
- Certain vehicles are exempted by statute from being subject to the test, such as diesel and farm vehicles, vehicles older than 1968, antiques, motorcycles, implements of warfare, etc. (625 ILCS 5/13B-15(f)).



Enhanced Test

I/M 240 Test. Since the Clean Air Act was amended in 1990 to require more stringent standards, Illinois revised the vehicle emissions testing program and introduced a new enhanced test in 1999 called the I/M 240 test for most 1981 and newer model year

vehicles. The enhanced test examines exhaust tailpipe emissions and tests gas cap pressure.

The I/M 240 test uses a dynamometer that IEPA considers to be “*more than twice as effective [as the basic idle test] in reducing emissions from vehicles.*” A lane inspector places a collector over the tailpipe for exhaust analysis, and drives the vehicle on the dynamometer. The dynamometer is adjusted to the weight of the vehicle to simulate road travel; electric motors attached to the dynamometer rollers provide resistance to vehicle tires. This weight adjustment leads to the test being described as a loaded-mode test procedure. To perform the I/M 240 test, vehicles are driven on a dynamometer by a lane inspector under the vehicle’s own power simulating a two-mile urban trip; the vehicle is not driven by the dynamometer. The I/M 240 test collects exhaust as the vehicle is accelerating, decelerating, cruising, and idling to get more complete data on emissions than the basic idle test.

Evaporative Test. The gas cap pressure test checks the integrity of the fuel system gas cap to make sure there are no leaks of gasoline vapor. If a leak is detected, the owner is required to simply replace the gas cap. Evaporative emissions from the fuel system alone can be a significant source of hydrocarbon emissions. According to IEPA, approximately 3 percent of vehicles fail the gas cap test.

On-Board Diagnostic Test. On April 5, 2001, the U.S. EPA revised its I/M regulations to allow states to replace tailpipe testing with the On-Board Diagnostic test (OBD II) on model year 1996 and newer vehicles. States will be required to begin using OBD II starting January 1, 2002 although options are available to delay implementation for up to 12 months if good cause is shown.

Test Results to Motorists

When an idle or I/M 240 inspection is completed, the results are transmitted to the central computer and are immediately available to the IEPA and to the motorist who receives a Vehicle Inspection Report. If a vehicle fails testing, the motorist is given four items: (1) A Repair Diagnostics Report to aid technicians repairing the vehicle’s emissions. (2) The Vehicle Inspection Report. (3) A Repair Facility Performance Report to assist motorists in choosing a repair facility. Vehicles that fail must be re-tested after repairs. (4) A brochure titled “My Vehicle Failed. What do I do now?” Repairs should be specified on the back of the Vehicle Information Report and provided to the Envirotest Air Team facility at the time of the repeat test. If the vehicle passes, a certificate valid for two years is issued.

Waivers. The testing facility may issue a waiver if all statutorily specified criteria are met, such as emissions-related repairs were made, all eligible emissions-warranty repairs were completed, and there was improvement in the vehicle’s emissions (625 ILCS 5/13B-30). A waiver is granted if at least \$450 of repairs were made that are directly related to emissions. Approximately 50 motorists who were denied a waiver petitioned

the agency (as authorized by 625 ILCS 5/13B-40) that they were improperly denied a waiver from the emissions test.

Hardship Extensions. The program is also allowed to grant relief to low income persons whose vehicle did not pass the test. According to the statute, IEPA “*may extend the emission inspection certificate expiration date by one year upon receipt of a petition by the vehicle owner that needed repairs cannot be made due to economic hardship * * *. This extension may be granted more than once during the life of the vehicle.*” (625 ILCS 5/13B-30(c)) IEPA program managers estimated 2 percent to 3 percent of the failed vehicles are awarded a waiver for repairs exceeding \$450 or are awarded an Economic Hardship Extension. The Economic Hardship Extension provides low income motorists an additional year to repair their vehicle if they meet certain income requirements and provide an estimate that shows vehicle repair cost of at least \$225.

Test Failure Rate

In calendar year 2000, Illinois’ I/M program tested the emissions of 1,647,995 gasoline powered vehicles (cars, trucks, and buses) and 138,147 failed (8.4%) as shown in Exhibit 2-5. Comparatively, the number of vehicles tested and the number of vehicles that failed for other states using the I/M 240 test were as follows (D.C. data unavailable):

| | <u>Tests*</u> | <u>Failures</u> | <u>Percent</u> |
|---------------|---------------|-----------------|----------------|
| • Colorado** | 782,096 | 54,407 | 7.0% |
| • Maryland** | 867,421 | 63,673 | 7.3% |
| • Missouri | 452,581 | 40,610 | 9.0% |
| • Wisconsin** | 759,679 | 63,813 | 8.4% |

*Fiscal year 2000 data except for Missouri whose I/M 240 test became effective in April 2000 and, therefore, its data is for calendar year 2000.

** Failure rate for initial tests.

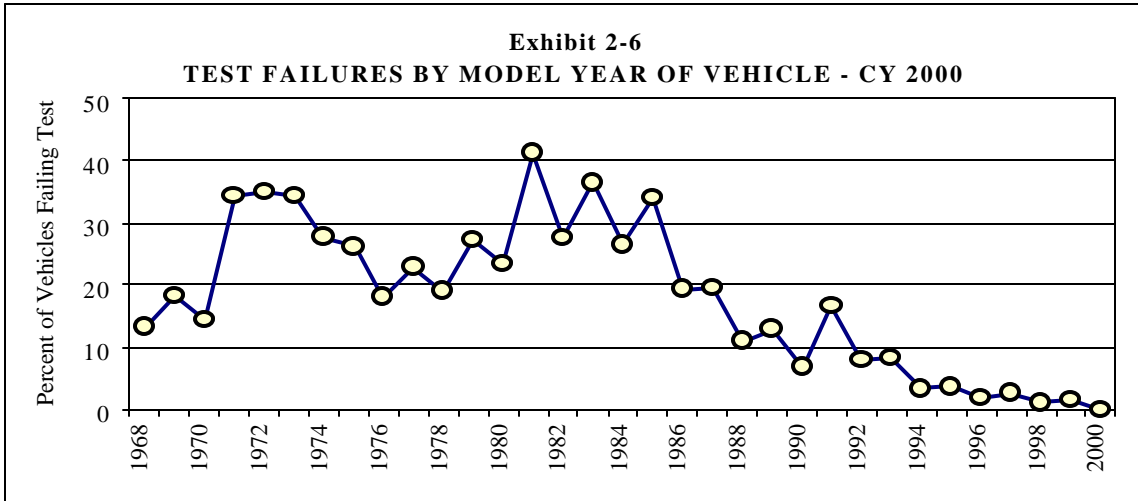
| Exhibit 2-5 VEHICLE EMISSIONS TESTS Calendar Year 2000 | | | | |
|---|-----------------------------|---------------------------|---------------------------------|--------------------------------|
| | <u>Passed</u> | <u>Failed</u> | <u>% Failed</u> | <u>Total</u> |
| I/M 240 Tests | 1,358,696 | 125,727 | 8.5% | 1,484,423 |
| Idle Tests | 113,320 | 12,385 | 9.9% | 125,705 |
| Gas Cap Only Re-Tests | <u>37,832</u> | <u>35</u> | <u>0.1%</u> | <u>37,867</u> |
| Total Tests | 1,509,848 | 138,147 | 8.4% | 1,647,995 |
| VEHICLES EXEMPTED* | | | | |
| <u>Exemptions</u> | <u>Waivers Approved</u> | <u>Waivers Denied</u> | <u>Temporary Extensions</u> | <u>Hardship Extensions</u> |
| 173,729 | 2,529 | 12,110 | 25,038 | 315 |

*NOTES:

- *Exemptions* include fuel type (diesel), geographic (vehicle registered out of test area), vehicle type (i.e., show cars, motorcycles, etc.).
- *Waivers* are granted to vehicles that have more than \$450 of repairs and their emissions improve but still do not pass test.
- *Temporary Extensions* are granted to vehicles that are temporarily out of the test area, under repair, awaiting parts, etc.
- *Hardship Extensions* are granted to individuals whose income is below 150% of the federal poverty guidelines.

Source: IEPA.

Exhibit 2-6 shows that, in terms of percentages, most of the vehicles that failed the Illinois vehicle emissions test were vehicles manufactured before 1990.



| Model | Tests | Pass | Fail | % Fail |
|---------------|------------------|------------------|----------------|-------------|
| 1968 | 1,731 | 1,503 | 228 | 13.2 |
| 1969 | 772 | 631 | 141 | 18.3 |
| 1970 | 1,918 | 1,641 | 277 | 14.4 |
| 1971 | 665 | 436 | 229 | 34.4 |
| 1972 | 2,613 | 1,700 | 913 | 34.9 |
| 1973 | 900 | 591 | 309 | 34.3 |
| 1974 | 2,407 | 1,741 | 666 | 27.7 |
| 1975 | 884 | 652 | 232 | 26.2 |
| 1976 | 4,042 | 3,311 | 731 | 18.1 |
| 1977 | 2,057 | 1,585 | 472 | 22.9 |
| 1978 | 8,575 | 6,945 | 1,630 | 19.0 |
| 1979 | 3,720 | 2,705 | 1,015 | 27.3 |
| 1980 | 7,034 | 5,388 | 1,646 | 23.4 |
| 1981 | 2,779 | 1,633 | 1,146 | 41.2 |
| 1982 | 10,619 | 7,684 | 2,935 | 27.6 |
| 1983 | 6,807 | 4,325 | 2,482 | 36.5 |
| 1984 | 36,089 | 26,508 | 9,581 | 26.5 |
| 1985 | 18,806 | 12,397 | 6,409 | 34.1 |
| 1986 | 72,787 | 58,663 | 14,124 | 19.4 |
| 1987 | 33,595 | 27,056 | 6,539 | 19.5 |
| 1988 | 133,718 | 118,949 | 14,769 | 11.0 |
| 1989 | 46,131 | 40,159 | 5,972 | 12.9 |
| 1990 | 180,217 | 167,905 | 12,312 | 6.8 |
| 1991 | 38,474 | 32,067 | 6,407 | 16.7 |
| 1992 | 183,655 | 168,910 | 14,745 | 8.0 |
| 1993 | 43,729 | 40,080 | 3,649 | 8.3 |
| 1994 | 282,191 | 272,820 | 9,371 | 3.3 |
| 1995 | 90,710 | 87,311 | 3,399 | 3.7 |
| 1996 | 278,285 | 273,076 | 5,209 | 1.9 |
| 1997 | 8,238 | 8,026 | 212 | 2.6 |
| 1998 | 189 | 187 | 2 | 1.1 |
| 1999 | 66 | 65 | 1 | 1.5 |
| 2000 | 21 | 21 | 0 | 0 |
| TOTAL* | 1,504,424 | 1,376,671 | 127,753 | 8.5% |

NOTES:
 * The total tests shown in this table differs from Exhibit 2-5. IEPA noted that this table contains “a summary of initial test data for CY 2000 . . . totals may differ slightly from those summarized in monthly test summaries due to the manner in which the reports handle boundary conditions (counting of tests performed on the last day of the month, but not posted until a subsequent month). Also note that the numbers of initial tests represent passes and fails only and DO NOT contain tests that are rejected, aborted, or voided.”
 Source: IEPA.

NATIONAL RESEARCH COUNCIL REPORT

A recent report drafted in 2001 by the National Academy of Sciences (NAS), pursuant to a request by the U.S. Congress, questioned the level of effectiveness of I/M programs. The U.S. EPA's initial response generally concurred with that assessment and other findings and recommendations. The report titled "Evaluating Vehicle Emissions Inspection and Maintenance Programs" was prepared by the NAS's National Research Council.

- **Effectiveness.** The report stated that "*Evidence suggests that I/M programs have been less effective than anticipated.*" The U.S. EPA agreed that in developing its latest computer model (MOBILE 6), data "*support the conclusion that I/M programs get less benefits than originally forecast.*" U.S. EPA's response noted that "*EPA agrees with NRC that I/M programs are one of the most significant control strategies states use in their pollution reduction strategies. I/M is still an effective means of reducing vehicle emissions.*"
- **High Polluters.** The report stated that "*Typically, less than 10% of the fleet contributes more than 50% of the emissions . . . Thus the largest potential reductions in emissions from I/M programs are associated with a small number of high-emitting vehicles.*" The U.S. EPA agreed that I/M programs should assure the identification and repair of vehicles with the highest likelihood of offering emissions reductions, and added that the agency "*offers a great deal of flexibility in the operation of tailpipe programs with the use of model year exemptions, clean screening, profiling, and other methodologies to accomplish this goal.*"
- **Repairs.** The report stated that many critical factors that reduce emissions are not known. "*An example is the length of time that repairs remain effective . . . [estimates] range from most of the benefits disappearing in less than 6 months to remaining for more than 2 years.*"
- **Remote Sensing.** The report stated that remote sensing should have an increased role in assessing emissions and added that "*Remote sensing is also effective for identifying high emitters; however, its implementation into an I/M testing program should be an area of further research.*" The U.S. EPA responded that it "*agrees that remote sensing can be used as a method for clean screening portions of the fleet.*"
- **Cost.** The report stated that although emissions reductions are central to any evaluation of I/M programs, costs are inextricably linked to emissions reductions. The U.S. EPA agreed and stated that "*costs need to be controlled and effectiveness enhanced.*"

Chapter Three

EMPLOYEE TRAINING

CHAPTER CONCLUSIONS

Illinois Environmental Protection Agency (IEPA) and Envirotest Illinois, Inc. (Envirotest) have established a training program for Envirotest lane inspectors which consists of 40 hours of classroom training and 40 hours of field training. The contractor also has detailed written manuals that are used to train its lane inspectors and managers in conducting vehicle emissions tests and in serving customers.

However, the training records kept by the contractor did not demonstrate that all the required training had been provided. Training is important because the turnover rate for lane inspectors was 100 percent. Our random sample of training records showed that 16 of 63 lane inspectors (25%) did not have all the required training hours documented and the training records of 16 more lane inspectors included some questionable training hours.

In addition, none of the 34 test station managers in our random sample had complete training records. They were missing at least one of the following records: training hours, written exam results, or checklists documenting field training. IEPA officials said that its Station Inspectors are now monitoring training closely.

IEPA did not comply with two requirements pertaining to the training of contractor employees. First, IEPA's contract with Envirotest requires the tests to be "*monitored and graded by the Agency*" and State statute requires lane inspectors to be certified by IEPA. However, the contractor trains its employees, gives the tests, grades the tests, and certifies its employees.

IEPA also did not comply with a federal regulation which states that IEPA field auditors be formally trained in specifically listed areas pertaining to vehicle emissions testing. IEPA has 44 field monitoring personnel who conduct, or review, test station audits.

TRAINING OF ENVIROTEST EMPLOYEES

Envirotest lane inspectors and their managers involved with vehicle emissions testing are required to complete a training program. The inspector training program is 80 hours long and usually takes two weeks. Classroom training is comprised of 40 hours of instructor and computer-based portions which usually take one week to complete while 40 hours of hands-on training in the field takes another week (see Exhibit 3-1).

The contractor has three detailed written training manuals on conducting vehicle emissions tests and serving customers. One manual is used to train lane inspectors, a second manual is used to train test station managers, and a third manual is used for re-certification.

| Exhibit 3-1 TRAINING PROGRAM SUMMARY | |
|--|--|
| <p>1. Required Training Hours:</p> <ul style="list-style-type: none"> • Lane Inspectors – 80 hours of training (40 hours hands-on and 40 hours classroom). • Customer Service Representatives – 32 hours of classroom training. • Managers – 224 hours of training (includes 80 hours of lane inspector training and 32 hours of customer service representative training). <p>2. Training Courses:</p> <ul style="list-style-type: none"> • Inspectors – 8 modules. Quizzes and tests are computer-based. • Managers – 7 modules. Review questions for each module are written. <p>3. Prerequisites for Course Enrollment:</p> <ul style="list-style-type: none"> • Inspectors, Crew Trainers, Customer Service Representatives – High school diploma or equivalent, 18 years of age, and valid driver’s license. • Managers – Bachelor’s degree, supervisory experience, communication skills. <p>4. Certification:</p> <ul style="list-style-type: none"> • Test scores must be 80% or above. • Good for two years. <p>5. Re-certification:</p> <ul style="list-style-type: none"> • Refresher training and a written test. • A score of 80% is required. | |
| <p>Source: IEPA and Envirotest.</p> | |

Federal regulations, State statute, and IEPA’s contract with Envirotest have established training requirements for lane inspectors and station managers. The requirements are as follows (discussed later in chapter):

- Written test (federal regulations).
- Test score of 80 percent (federal regulations).
- Tests monitored and graded by IEPA (contract).
- Employee certified by an organization other than the employer (State statute, federal regulations).
- Re-certification in two years (federal regulation).

Employees get two chances to pass the test. IEPA program managers said trainees failing twice are terminated and noted that 4 of 225 trainees were terminated during the second half of calendar year 2000 for failing the test. After completing training, stations have to submit checklists to Envirotest’s Villa Park office that show the trainee successfully performed hands-on training procedures.

SALARY AND TURNOVER

The annual turnover rate for Envirotest’s lane inspectors was reported at 100 percent (Exhibit 3-2 gives examples of why lane inspectors quit in Illinois).

Illinois’ turnover rate for lane inspectors falls within the range of turnover rates in the other states that use the I/M 240 test: Missouri (200%), Colorado (176%), Maryland (100%), Wisconsin (78%) and District of Columbia (20%). See Exhibit 3-3.

Three of the programs in Exhibit 3-3 were operated by government employees rather than by contractor employees: Delaware, District of Columbia, and Oregon. IEPA program managers noted that *“state government employees frequently have excellent fringe benefit packages (e.g., dental, health care, pension, benefit time, etc.), high job security and union representation and, in general, we believe state government employees would have a tendency to turnover at lower rates than contractual employees.”*

Envirotest pays lane inspectors a starting salary of \$7.00 per hour (plus some fringe benefits like vacation) from when they begin training. States using the I/M 240 test paid a similar starting salary of between \$6.00 – \$7.75 per hour, except for the District of Columbia which said in our survey it paid \$21,000 per year (that approximates to \$10.10 per hour).

The three states that paid the most (approximately \$10.00 per hour) had the lowest annual turnover rates of between 8 percent and 20 percent. The annual turnover rate for lane inspectors in states using the I/M 240 test ranged from 20 percent to 200 percent, with Illinois again being in the middle.

| Exhibit 3-2 LANE INSPECTOR TURNOVER June 2000 | |
|--|-----------|
| • Quit no notice | 26 |
| • Other Employment, School, Relocation | 11 |
| • Misconduct | 7 |
| • Insubordination, Report to work unfit, Tardiness | 6 |
| • Other (medical, domestic/personal, etc.) | 6 |
| • No Show | 5 |
| Total | 61 |

Source: OAG analysis of Envirotest data.

| Exhibit 3-3 SALARY AND TURNOVER States with a Centralized or Hybrid Network FY 2000 | | | |
|---|------------------|-------------------------|----------------------------|
| State* | Test | Salary/ Hour | Annual Turnover |
| Delaware | Idle | \$10.50 | 10% |
| D.C.** | I/M 240 | \$10.10 | 20% |
| Oregon | BAR 31 | \$9.75 | 8% |
| Washington | ASM 25/25 | \$9.20 | 100% + |
| Missouri | I/M 240 | \$7.75 | 200% |
| Maryland | I/M 240 | \$7.50 | 100% |
| Wisconsin | I/M 240 | \$7.50 | 78% |
| Kentucky – Louisville | Hybrid TS Loaded | \$7.15 | n/a |
| ILLINOIS | I/M 240 | \$7.00 | 100% |
| Ohio | Idle | \$6.50 | 100% |
| Colorado | I/M 240 | \$6.00 | 176% |
| Florida*** | Idle | \$6.00 | 80% |
| Kentucky –Frankfurt | Idle | \$6.00 | 90% |
| Tennessee | Idle | \$6.00 | 100% |
| Indiana | I/M 93 | \$5.75 | 160% |
| Bolded states use the I/M 240 test. n/a = Not available | | | |
| NOTES: | | | |
| * Colorado and Florida had a hybrid network; the remaining states had a centralized network. Delaware, D.C., and Oregon use government employees. Fringe benefits may vary from state to state. Arizona and New Jersey did not provide this data. | | | |
| ** Annual salary of \$21,000 (at 40 hours per week equates to \$10.10/hour). | | | |
| *** Florida discontinued its vehicle emissions testing program on July 1, 2000. | | | |

| | | |
|----------------------|-------------|---|
| Missouri..... | 200% | Except for the District of Columbia which operated its own program, the other five states' I/M 240 test programs were operated by Envirotest or its parent company ESP. |
| Colorado..... | 176% | |
| ILLINOIS..... | 100% | |
| Maryland..... | 100% | |
| Wisconsin | 78% | |
| D.C. | 20% | |

Employee turnover can have a cost associated with it in the form of having to recruit and train new employees. In addition to the financial cost, a 100 percent turnover rate may also be costly in terms of lost experience and may be worthy of formal review by the contractor and IEPA.

AUDIT SAMPLE OF TRAINING RECORDS

The contractor did not have complete training records on lane inspectors and test station managers in our random sample. None of the 34 test station managers we randomly sampled had complete training files. The contractor did not track the hours of training received by managers as they did for inspectors; therefore, we were unable to determine if managers completed the 224 hours of training required by policy and Envirotest's Technical Proposal (Section 5 page 44). In addition, one-quarter of the lane inspectors in our random sample did not have complete documentation to determine if they received the 80 hours of required training.

Lane Inspectors' Training

A training file for lane inspectors should include an Inspector Training Summary form which includes the dates and hours of training, written module exams and final exams given before computer-based training was implemented, ten checklists, and a certificate. The results of our random sample showed that some of these documents were not available:

- 16 of 63 (25%) contractor lane inspectors randomly sampled did not have complete documentation of training hours, such as the specific hours and dates of training, which would be documented in their Inspector Training Summary form. Fifteen of the 16 inspectors' files had exams which indicated they had received training, but lacked the specific breakdown of hours necessary to determine if they received the 80 hours of required training.
- The remaining 47 lane inspectors' records showed they met the 80 hours of required training. However our review of the records noted the following:
 - 3 inspectors were trained on Sundays when the test stations are closed.
 - 4 inspectors were trained 6 hours or more on Saturdays although the test stations were open for 5 hours from 8:00 a.m. to 1:00 p.m.

- 1 inspector was trained for 8 hours on several days (including a Saturday) starting at 6:30 a.m. although the stations do not open until 8:00 a.m.
- 1 inspector had duplicate training: two training sessions recorded for both November 15, 1999 and for November 16, 1999 at 8½ hours each for a total of 34 hours of training in these two days.
- 1 inspector had duplicate training recorded for November 20, 2000. Although the training was only 3 hours each (total 6 hours), the elimination of one of the three hours would reduce the inspector’s training below the 80-hour requirement.
- 1 inspector was trained on December 26, 2000 for 9½ hours and for 4½ hours (total of 14 hours).
- 1 lane inspector was trained 8 hours per day for 8 consecutive days.
- 1 lane inspector did not have the final exam in the training file.
- 3 lane inspectors had final exams with test scores but the test score was not converted to a percentage for us to determine they received the required score of 80 percent (the passing score prior to August 1999 was 75 percent although federal regulations required a score of 80 percent).

In addition, most Envirotest lane inspectors’ official training records we reviewed were missing some of the ten checklists that are completed to document that the trainee inspectors successfully completed hands-on field training:

- 4 lane inspectors’ files lacked all ten checklists that showed they completed the 40 hours of hands-on field training. For 3 of these lane inspectors, an Inspector Training Summary form showed they had received hands-on training but the checklists were not in the file as they were for other inspectors.
- 35 lane inspectors (56%) were missing at least one of the ten hands-on training checklists.

The results of our sample were discussed with Envirotest to give them the opportunity to provide further supporting documentation, such as payroll records showing trainees were working on the day in question, but Envirotest did not provide us payroll information.

According to the contract, the agency can impose liquidated damages for tests performed by inspectors who are not properly certified. IEPA imposed \$11,766 in liquidated damages for 612 tests by unauthorized lane inspectors in FY 2000 (unauthorized inspectors are those whose ID number logged into the computer do not match the list of authorized numbers). The above lane inspectors’ training deficiencies may allow IEPA to consider assessing additional liquidated damages.

Managers’ Training

We also randomly sampled the training records of 34 Envirotest station managers and did not find complete documentation on any of them. Station managers need 224

hours of training which could include their 80 hours of inspector training and could include 32 hours of customer service representative training (if they worked as a customer service representative); the remaining hours should be from additional training. To demonstrate their 80 hours of inspector training, their files should have included previous inspector training records consisting of inspector written exams, inspector training summaries, checklists, and certificates.

- Our sample showed that station managers' training hours records were not documented with specific dates and hours of training, like they were for inspector training. Therefore, we were unable to determine if managers received the 224 hours of required training.
- The only way we determined that managers received any training beyond inspector/customer service representative training was by looking at their exam scores. However, three manager files were also missing the required exams.
- For 11 of 34 managers, the training records did not show they had completed the 80 hours of lane inspector training.
- 27 of 34 managers' training files did not have all the hands-on training checklists: 12 managers' training files lacked all ten checklists and 15 managers' training files lacked one of the ten checklists (the ten checklists document field training).

Re-Certification

The certificate issued to lane inspectors and managers is valid for two years and shows the issue and expiration dates. After two years, the lane inspectors and managers need to be re-certified by taking a 4 to 8 hour refresher course and passing a written test with a minimum score of 80 percent; if they receive a lower score, they get an oral exam.

- The training files we reviewed for Envirotest lane inspectors and managers showed they were re-certified before their two-year certificates expired, although 4 of the 17 lane inspectors whose re-certifications we sampled were not recertified one month prior to the expiration of their certificates as per Envirotest's internal policy.
- IEPA program managers said 3 of the 71 employees going through re-certification needed an oral exam. The three were managers who had test scores below 80 percent and were given an oral exam which they passed with a score above 80 percent (one was in our random sample). Envirotest added that their procedures have now been changed so that failing inspectors and managers are no longer given an oral exam but undergo additional training and need to pass a second written test.

TEST GRADING AND CERTIFICATION

According to the vehicle emission testing program’s requirements, tests are to be graded by IEPA and lane inspectors are to be certified by an organization other than the contractor (see Exhibit 3-4).

Federal regulations require inspectors to be certified by an organization other than the employer while State statute places the responsibility on IEPA.

IEPA’s contract with Envirotest places the responsibility for monitoring and grading the test on IEPA. However, it is Envirotest who grades the test and certifies the lane inspectors. In a letter dated July 27, 2001, IEPA’s program manager responded as follows:

The Agency allowed the contractor to utilize a Computer Based Training (CBT) component of training staff, which was developed specifically for Illinois. The contractor was allowed to train and certify their staff, which is not inconsistent with other state emission testing programs. Illinois represents the largest centralized I/M test program, and additional staff and/or contracts with outside vendors would have been required to allow us to train and/or certify the contractor’s staff.

Agency staff is on-site at the emission test stations and are now responsible for verifying hours of the contractor’s staff. The Agency also approved of all elements of the training curriculum and modules.

Having an organization independent from the contractor grade the exams and certify the employees can help ensure that only employees who have successfully met the training requirements are authorized to test vehicles. Complete training can help ensure that vehicles are tested in accordance with procedures which include such steps as pre-safety checks that may help reduce damage claims.

Exhibit 3-4 TRAINING REQUIREMENTS

FEDERAL REGULATIONS 40 CFR Ch. 1 Subpart S 51.367 [emphasis added]

“All inspectors shall receive formal training and be licensed or certified to perform inspections.”

“* * * a trainee shall pass (i.e., a minimum of 80% of correct responses or lower if an occupational analysis justifies it) a written test covering all aspects of the training.”

“Inspector licenses and certificates shall be valid for no more than 2 years, at which point refresher training and testing shall be required prior to renewal.”

“All inspectors shall be * * * certified by an organization other than the employer * * * .”

STATE STATUTE 625 ILCS 5/13B-25 [emphasis added]

“The inspection of vehicles required under this Chapter shall be performed only: (i) by inspectors who have been certified by the Agency after successfully completing a course of training and successfully passing a written test.”

CONTRACT

RFP Section 5.2.1.3 incorporated into the contract
[emphasis added]

“The Contractor shall develop, subject to Agency approval, a testing mechanism and materials for a certification test that will be administered by the Contractor and monitored and graded by the Agency. All Contractor personnel directly involved in the performance of emissions inspections, including, but not limited to emissions inspectors, their direct supervisors, and station managers, must be so certified by the Agency. The certification test will consist of both written and practical application (i.e., "hands-on") portions * * * .”

TRAINING OF IEPA FIELD AUDITORS

In addition to training Envirotest employees, federal regulations indicate that State employees who conduct audits should also be trained. IEPA has 44 employees who conduct monitoring activities for the agency which includes conducting overt audits. These 44 employees include 32 State Inspectors who conduct two types of overt audits called State Oversight Station Audits and State Inspection Counter Audits; 7 Quality Assurance Auditors who conduct technical audits; 4 supervisors; and 1 manager.

Federal regulations state that auditors shall be formally trained and knowledgeable in a number of subjects that relate to vehicle emissions testing (40 CFR Ch1. 51.363 (d)):

- (i) The use of analyzers
- (ii) Program rules and regulations
- (iii) The basics of air pollution control
- (iv) Basic principles of motor vehicle engine repair, related to emissions performance
- (v) Emission control system
- (vi) Evidence gathering
- (vii) State administrative procedures
- (viii) Quality assurance practices
- (ix) Covert audit procedures

IEPA provides training to its new State Inspectors although it does not provide training on these subjects listed in federal regulations. A U.S. EPA Region 5 official stated that *“This section applies to all programs, centralized and decentralized, but it is much easier to train auditors in a centralized format [like Illinois] since you don’t need as many people to inspect a limited number of stations. New York, for example, has over 5,000 licensed testing locations all of which need to be audited.”*

TRAINING BY OTHER STATES

In our survey, six states used the I/M 240 test. Colorado required the most training for its inspectors (107 hours), followed by Illinois (80 hours) and the District of Columbia (80 hours). Only Illinois and Missouri required additional hours of training for their supervisory personnel. As shown in Exhibit 3-5, the contractor helped provide training in five states but inspectors were certified by another organization (e.g., state or college) in 3 of these 5 states. As noted previously, federal regulations state that certification be provided by an organization other than the employer.

| Exhibit 3-5 TRAINING HOURS AND CERTIFICATION States Using the I/M 240 Test – All States Contracted with ESP or its Subsidiaries (Envirotest)* FY 2000 | | | | | | |
|--|--------------------------|-------------------------------|----------------------|--------------------------------|-------------------|------------------|
| State | Inspector Training Hours | Additional Supervisors' Hours | Trainer | Training Verification | Certification | Re-Certification |
| Colorado | 107 | None | Contractor | Licensed, issued ID codes | State | Yes |
| District of Columbia | 80 | n/a | City | City signs certificate | n/a | 2 years |
| ILLINOIS | 80 | 144 | CONTRACTOR | INSPECTION & REVIEW | CONTRACTOR | 2 YEARS |
| Maryland | Over 40** | No | State & Contractor | State monitoring | State | 2 years |
| Missouri | 60 | 100 | Contractor | Audits | Contractor | No |
| Wisconsin | n/a | n/a | Contractor & College | Audits | College | 2 years |
| NOTES: * All these states contract with ESP or its subsidiaries (e.g., Envirotest), except for the District of Columbia which operated the program itself. ** 40 hours of field training plus “time required for successful completion” of classroom training. n/a = Not available or not provided. | | | | | | |
| Source: Illinois Auditor General’s survey of states. | | | | | | |

CONCLUSION

IEPA has placed the responsibility for training the contractor’s employees on the contractor. The contractor trains its employees, gives the tests, grades the tests, and certifies its employees although the contract, State statute, and federal regulations require involvement by an entity other than the contractor. Our random sample of the contractor’s training records showed there was incomplete documentation to demonstrate that the required training had been provided to lane inspectors and station managers.

Training records need to be more closely monitored by IEPA’s test station monitoring personnel. This monitoring can be performed by IEPA’s State Inspectors who are at stations since it is one of their responsibilities in their job description: “4. *Monitors training provided by the contractor . . . and conducts reviews of contractor training records to ensure that emissions inspections are performed only by properly certified employees.*” [emphasis added]

IEPA now has a form for State Inspectors, who are based at test stations, to complete on new lane inspectors titled “New Hire/Certification Monitor.” The form, however, does not require State Inspectors to review training records kept by Envirotest’s central office to verify that complete and reliable records demonstrate that training has been successfully completed.

In addition, IEPA should provide training to its own auditors on the subjects listed in federal regulations. Such training could improve their auditors’ knowledge and skills in monitoring the vehicle emissions tests.

| TRAINING | |
|---|--|
| <p>RECOMMENDATION NUMBER</p> <p style="font-size: 2em;">1</p> | <p><i>The IEPA Division of Vehicle Inspection and Maintenance should implement the following procedures:</i></p> <ul style="list-style-type: none"> • <i>Monitor the training required by the contract, including reviewing the contractor’s records to ensure complete and accurate records exist which demonstrate that all required training was provided.</i> • <i>Grade the tests as required by the contract.</i> • <i>Certify the lane inspectors as required by State law.</i> <p><i>In addition, IEPA should provide its test station monitoring personnel the training that is required by federal regulations.</i></p> |
| <p>IEPA RESPONSE</p> | <p><u>Accepted.</u> IEPA helped develop and establish one of the most comprehensive training programs in the nation for lane inspectors and lane facility managers. As part of its continuous improvement program, the IEPA implemented new procedures in April 2001 that were recommended by an internal audit of its Vehicle Inspection and Maintenance program. These procedures provide for the tracking of the essential training elements to aid IEPA State Inspectors in their verification that lane inspectors have received 40 hours of hands-on training and 40 hours of classroom training. Prior to these improvements, the State Inspectors verified the effectiveness of the training program by performing daily observations and evaluations of the actual performance of the contractor’s lane inspectors and managers. These post-training observations are an important part of ensuring that the inspectors and managers are effectively trained.</p> <p>Additional procedures and training are now being prepared to guide the IEPA State Inspectors in their task of confirming that training records and test grading are complete and accurate. The State Inspectors will document the training hours and review and document the computer-based grading results. The IEPA will then certify the lane inspectors.</p> <p>The Quality Assurance Auditors will audit the contractor’s employee training files to ensure completeness of training documentation.</p> <p>The IEPA Quality Assurance Audit team is comprised of staff with extensive prior experience in the various operational aspects of the vehicle-testing program. To become a member of the Quality Assurance Audit team, this program knowledge and experience are supplemented with hands-on training in the various components of the applicable federal regulations. We are now developing a more formal training program and are scheduling training for the Quality</p> |

| | |
|--|---|
| | <p>Assurance Auditors for all areas covered in the federal regulations (40 CFR Ch 1.51.363(d)). Furthermore, since USEPA does not have guidance or specific criteria regarding training in their federal regulations, we will work with USEPA to develop a suitable model that fulfills USEPA’s expectations.</p> |
|--|---|

Chapter Four

DAMAGE CLAIMS

CHAPTER CONCLUSIONS

In calendar year 2000, Envirotest conducted approximately 1.65 million vehicle emissions tests in Illinois. Envirotest recorded 1,043 damage claims from motorists and paid 220 of the damage claims (21%); the total amount paid was \$74,649 for an average of \$339 per claim.

Motorists submit complaints and damage claims directly to Envirotest which decides whether to pay, often after requiring motorists to take their vehicles to a third-party Claim Evaluation Center (CEC). There are 34 CECs which are selected and paid \$25 by Envirotest for each evaluation to make a visual evaluation, including for significant damage claims like engine or transmission damage.

Envirotest directed 560 of the 1,043 motorists filing damage claims to take their vehicle to a CEC in calendar year 2000. Only 113 of these motorists (20%) took their vehicle to a CEC and Envirotest paid 21 of the motorists' damage claims.

Envirotest is responsible for receiving, recording, and deciding whether to pay damage claims. Illinois Environmental Protection Agency receives monthly reports on damage claims but does not review Envirotest's handling of individual claims. If Envirotest does not pay a damage claim, as it did not 79 percent of the time in calendar year 2000, motorists do not have any administrative recourse to a State agency even though testing is required by the State. Motorists may take their claim to binding arbitration with the Better Business Bureau or litigate in a court of law.

DAMAGE CLAIM PROCESS

Motorists who believe their vehicle was damaged during the vehicle emissions test can file a damage claim by submitting a comment form to Envirotest. When a motorist alleges that their vehicle was damaged, the Envirotest station manager is responsible for looking at the vehicle and trying to resolve the problem. After a motorist files a damage claim, the station manager completes a Station Investigative Report which has the station employees' version of events. Envirotest station managers and/or district managers are also expected to review the videotapes of the test on disputed damage claims. The station manager submits the motorist's comment form alleging damage and the Station Investigative Report to Envirotest's central office in Villa Park for review.

Some claims are for relatively small damages, such as scuffed tires or lost gas cap, and can be paid by the station manager by issuing a purchase order; in calendar year 2000, Envirotest reported issuing 51 purchase orders (\$2,704 paid). All other claims are processed through Envirotest's central office in Villa Park.

Each week, Envirotest's Claims and Operations Department reviews damage claims to determine if they should be paid, if additional information should be requested from the motorist, or if the cause of the damage should be evaluated by a Claim Evaluation Center (CEC). If Envirotest decides to pay, it requests two estimates or repair receipts. Otherwise Envirotest sends a notification letter directing the motorist to take the vehicle to a CEC within three weeks and to provide the vehicle's prior maintenance information related to the damage claim:

As part of our review of your claim, we require an independent evaluation of your vehicle's condition by a Claim Evaluation Center. We have enclosed a list of Claim Evaluation Centers and a Claim Evaluation Center Vehicle Report. Please contact any of the repair facilities on the list and schedule an inspection of your vehicle at your convenience . . . Your vehicle will be evaluated at no charge to you.

Please be sure to visit a Claim Evaluation Center by . . . [three weeks from the date of the letter] or we will consider the matter closed and your claim forfeited.

Furthermore, we ask that you mail or fax copies of any vehicle maintenance records related to the problem you are describing by the date stated above so your claim can be investigated thoroughly. Such records should include those for routine maintenance (such as regular oil and other fluid changes, brake jobs) that are related to your claim. [emphasis added]

Claim Evaluation Centers

Envirotest has selected 34 Claim Evaluation Centers (CEC) to evaluate vehicles and provide an opinion on whether the damage was caused by the vehicle emissions test. IEPA program managers said Envirotest selected the CECs that met all three of the following criteria:

1. Automotive Service Excellence (ASE) certified L1.
2. Automotive Service Association (ASA) member.
3. I/M 240 trained.

CECs are paid \$25 for each evaluation and make only a visual evaluation, including for significant damage claims like engine or transmission damage. Envirotest's notification letter to the motorist states: *"The repair technician will verify the extent and probable cause of your damage and provide us with a report. This evaluation will be a visual only inspection and will not involve diagnosis, repairs or the disassembly of vehicle components."* Envirotest reported paying a total of \$3,665 to CECs in calendar year 2000.

The form that CECs complete has an introductory section completed by Envirotest which contains the customer's name, test station, whether the vehicle

passed/failed, etc., along with the damage claimed by the motorist. The form then asks the CEC to provide the following information:

- Description of Motorist Claim
- Description of inspection/observation
- Based on your knowledge/experience, could the claim be caused by emissions testing?
YES___ NO___ Unknown___
- Could the claim be the result of a pre-existing condition? YES___ NO___ What usually causes this type of condition?

The CEC faxes or mails the form to Envirotest with an invoice for the evaluation. Envirotest’s notification letter to the motorist states that Envirotest will contact the motorist within 10 business days of receiving the CEC report.

In calendar year 2000, Envirotest directed 54 percent of the 1,043 motorists who filed a damage claim (560 motorists) to take their vehicle to one of the 34 CECs; only 21 damage claims were paid after a CEC review. Approximately 80 percent of these motorists did not take their vehicle to a CEC for evaluation. Since the CECs were selected and paid by Envirotest instead of IEPA, for some motorists this may have created an appearance that CECs lacked independence.

Only 113 of the 560 motorists (20%) took their vehicle to a CEC, and of these 113 only 21 were paid (19%). In other words, less than four percent of motorists directed to a CEC received payment for a damage claim.

If a motorist does not take their vehicle to a CEC, Envirotest sends a letter closing the case. Motorists are not offered the option to take their vehicle to their own mechanic, such as the manufacturer’s authorized car dealer or to another repair facility that meets the same three criteria used by Envirotest to select the 34 CECs.

Appeal Process

Motorists whose damage claims are denied by Envirotest are sent a letter that includes an offer of binding arbitration through the Better Business Bureau (BBB). Illinois and four other states responding to our survey said they used the BBB. As Exhibit 4-1 shows, Illinois, Missouri, and Maryland, which have the same test and contractor, have a similar process for handling damage claims.

Envirotest is a member of the BBB and has committed to abide by its decisions. According to IEPA officials, the BBB can appoint anyone from its pool of arbitrators who are volunteers. However, at Envirotest’s request, when possible the BBB attempts to assign arbitrators who have backgrounds in the automotive field. During arbitration, a motorist will present his/her side of the case and Envirotest will present its side. If Envirotest loses, it has 10 days to pay the motorist for the damage.

| Exhibit 4-1 PROCESS FOR RESOLVING DAMAGE CLAIMS States Using the I/M 240 Test | |
|--|--|
| Colorado | Damage claims filed with contractor. State is involved with rejected or contested claims. |
| D.C. | Arbitration |
| Illinois | Damage claims may be paid on the spot or may need third-party evaluation. Binding arbitration is offered through Better Business Bureau. |
| Maryland | Damage claims may be paid on the spot or may need third-party evaluation. Binding arbitration is offered through Better Business Bureau. |
| Missouri | Damage claims may be paid on the spot or may need third-party evaluation. Binding arbitration is offered through Better Business Bureau, or motorist may go to small claims court. |
| Wisconsin | Damage claims filed with contractor. Unresolved claims investigated by State. |

Source: Illinois Auditor General's survey of states.

In calendar year 2000, a total of 37 motorists filed their damage claims with the BBB for binding arbitration. Some of the claims were not arbitrated by the BBB in the calendar year they were submitted but were arbitrated the following year. Therefore, the total number of damage claims arbitrated by the BBB in calendar year 2000 was 47 because it included 24 damage claims from 1999. The BBB ruled in favor of Envirotest three-fourths of the time (35 of 47) and in favor of the motorists one-fourth of the time (12 of 47) and awarded motorists a total of \$4,983 (an average of \$415) in calendar year 2000.

There was no information available on whether any damage claims were litigated since the contract does not require Envirotest to provide that information to IEPA.

DAMAGE CLAIMS

In calendar year 2000, approximately 1.65 million vehicle emissions tests were conducted and Envirotest recorded receiving 1,043 damage claims. The average damage claim rate was 6 per 10,000 vehicles tested in calendar year 2000; this is lower than an average of 8 damage claims per 10,000 vehicles tested in 1999 (see Exhibit 4-2). IEPA program managers said the contract does not require Envirotest to provide them with the dollar amount of damage claims.

The total amount of damage claims submitted to the contractor for the 1,043 damage claims is not known because program personnel said there is generally no specific dollar amount associated with the initial filing of a damage claim.

Of the 1,043 damage claims filed during calendar year 2000, Envirotest did not pay 819 damage claims (79%), frequently because the motorist did not take their vehicle to a CEC (see Exhibit 4-3). Envirotest

| Exhibit 4-2 DAMAGE CLAIMS | | |
|---|----------------|-------------|
| | 1999* | 2000 |
| Tests..... | 1,613,295..... | 1,647,995 |
| Total Claims | 1,366..... | 1,043 |
| Claims Paid..... | 347..... | 220 |
| Damage Claims/10,000 tests | 8..... | 6 |
| *Note: CY 1999 data is for February through December 1999. Source: IEPA. | | |

paid 220 damage claims. The amount paid was \$74,649 for an average of \$339 per claim paid.

- The most prevalent claims were for cosmetic damage (256); they were also paid most often (104 or 41%). Cosmetic damage includes anything related to the appearance of the vehicle, for example dents, scratches, broken mirrors, and knobs.
- The second most prevalent claim was for damage to vehicles’ power train (183) but only 11 were paid (6%).
- Other higher number claims were for transmission damage (157 claims; 9 paid) and brake damage (105 claims; 8 paid).

| Exhibit 4-3 DAMAGE CLAIMS PROCESSED Calendar Year 2000 | |
|--|--------------|
| TOTAL CLAIMS | 1,043 |
| CLAIMS NOT PAID | 819 |
| <ul style="list-style-type: none"> • Time Limit (closed if not taken to CEC within 3 weeks).....452 • Denied.....330 • Apology Issued.....22 • Other (e.g., repair estimates/receipts not provided by motorists).....14 • Envirotest insurance company denied.....1 | |
| CLAIMS PAID | 220 |
| <ul style="list-style-type: none"> • Purchase Order issued at station.....51 • Paid after Envirotest review.....140 • Paid after CEC review.....21 • Paid after BBB arbitration.....8 | |
| DAMAGE CLAIMS PENDING | 4 |

Source: Envirotest.

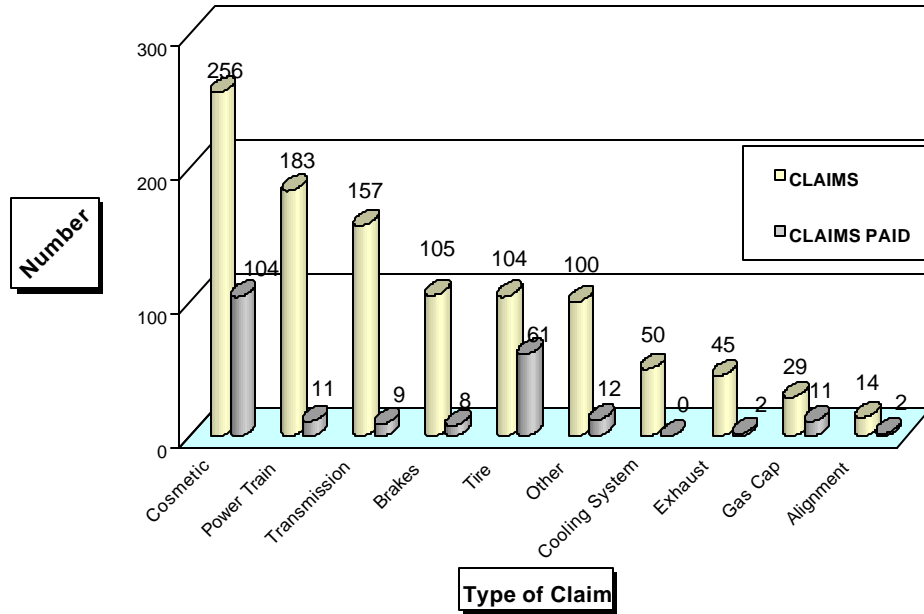
- Claims alleging damage to the cooling system were not paid to any motorist (50 claims).
- In terms of percentages, the type of damage claim paid most often was for tires (61 of 104 claims or 59%).
- The highest dollar amount of average claim paid was for transmission at \$616, followed by cosmetic damage at \$494. See Exhibit 4-4.

**Exhibit 4-4
TYPES OF DAMAGE CLAIMS PAID
Calendar Year 2000**

| Damage* | Claims | Claims Paid | % Paid | Paid | Average Paid |
|----------------|--------------|-------------|------------|-----------------|--------------|
| Cosmetic | 256 | 104 | 41% | \$51,364 | \$494 |
| Power Train | 183 | 11 | 6% | \$4,466 | \$406 |
| Transmission | 157 | 9 | 6% | \$5,545 | \$616 |
| Brakes | 105 | 8 | 8% | \$2,470 | \$309 |
| Tire | 104 | 61 | 59% | \$5,464 | \$90 |
| Other** | 100 | 12 | 12% | \$4,415 | \$368 |
| Cooling System | 50 | 0 | 0% | \$0 | \$0 |
| Exhaust | 45 | 2 | 4% | \$379 | \$190 |
| Gas Cap | 29 | 11 | 38% | \$293 | \$27 |
| Alignment | 14 | 2 | 14% | \$253 | \$127 |
| TOTAL | 1,043 | 220 | 21% | \$74,649 | \$339 |

* Data sources differed slightly on claim classifications and the number of claims paid.

** *Other* includes anything that does not fit into the above categories, such as radios, air conditioners, shocks, etc.



Note: Envirotest's database showed 257 cosmetic damage claims and 99 other damage claims.

Source: IEPA and Envirotest

POSSIBLE CAUSES OF DAMAGE CLAIMS

According to an I/M 240 test specialist from Region 5 of U.S. EPA, if this emissions test is performed properly, it will not damage a vehicle under normal circumstances. The I/M 240 test is based on a procedure referred to as the Federal Test Procedure used for more than 30 years by the U.S. EPA to certify new vehicles. In other words, if there is damage to a vehicle during testing, it is probably due to procedures not being followed.

The I/M 240 test follows a federal speed chart which is visually displayed on a computer monitor when the vehicle is driven on the dynamometer. If the lane inspector drives the vehicle at a speed that is more than 2 mph faster or slower than the speed chart, the computer will abort the test. Although the test is aborted by the computer, it still requires the lane inspector to decelerate the vehicle since the vehicle is driven on the dynamometer by the lane inspector.

Program personnel noted that many motorists are nervous when they come for an emissions test because if emissions repairs are needed, they could be costly and a hassle. The equipment used to test vehicles makes a lot of noise which some motorists may assume harms the vehicle. Program personnel said the noise that a vehicle makes on a dynamometer at the top test speed of 57 mph is no more than the noise made by the vehicle on the road at the same speed. However, motorists do not hear this noise when driving their vehicles from inside their vehicles. The number of damage claims filed may also be affected by other factors that include a mixture of perception and process:

- Customer service – courtesy, answers to questions.
- Training – pre-safety check, using correct test, setting up cooling fan to prevent vehicle from overheating.
- Vehicle operation – shifting gears properly for manual transmission vehicles and at the appropriate RPM.
- Personnel turnover – 100 percent annual turnover for lane inspectors.

Some of these causes were identified by IEPA’s test station monitoring personnel in their daily monitoring reports and IEPA imposed liquidated damages (e.g., \$17,983 for no pre-safety check 946 times), although, as discussed later, IEPA’s test station monitoring personnel were not always at test stations to observe the vehicle emissions tests that were being performed.

AUDIT REVIEW OF DAMAGE CLAIMS

When a motorist files a damage claim (which is written on a comment form) Envirotest’s policy is that the test station fax the comment form within 24 hours, preferably with the Station Investigation Report, and that the Villa Park office respond to claimants within 10 business days.

Comment Forms

After a motorist completes a comment form, Envirotest’s policy is that the test station fax it to Envirotest’s Villa Park office within 24 hours. We reviewed 555 damage claims that motorists filed with Envirotest during calendar year 2000. Although Envirotest’s policy does not specify if it excludes holidays and weekends, we gave them this allowance. The average time the forms were submitted by the test stations was nearly six days (median was three days).

- 339 of 555 damage claims (61%) were submitted within three calendar days while 212 damage claims (38%) were submitted after three days. For the remaining 4 damage claims the receipt date could not be determined.
- 18 damage claims reviewed (3%) were submitted by the test station to Envirotest’s Villa Park office after more than 30 days.
- 1 damage claim reviewed was not received by Envirotest’s Villa Park office until the motorist wrote a complaint letter nearly a month after the test to IEPA, who forwarded the letter to Envirotest.

| |
|--|
| ENVIROTEST POLICY ON STATION INVESTIGATION REPORT |
| “Station Management faxes Station Investigation Report and Comment Form to Claims at Headquarters that day. If all people who were involved are not present at the time when the report is being written, then the report is sent when all involved employees have added their comments. It is to be sent <u>no later than 1 day</u> after the incident.” [emphasis added] |
| Source: Envirotest. |

The comment form given to motorists states that Envirotest’s “goal [is] to resolve each claim as quickly as possible, while allowing time to conduct a thorough investigation. In most cases, we will provide a response within 10 business days” of the motorist filing a damage claim. According to the database provided by Envirotest, the average response time was 13 calendar days (median was 10 days). As discussed later in this chapter, our testing of the accuracy of the database indicated that the dates Envirotest recorded for receiving the comment form or sending the response letters were not accurate in nearly half of the damage claims reviewed (e.g., response letters were sent 1 to 3 days after the dates recorded in the claim log).

- 69 percent of the motorists (382) in our review who filed a damage claim received a response from Envirotest within 14 calendar days.
- 30 percent of the motorists (169) did not receive a response from Envirotest within 14 calendar days; 34 of the 169 damage claims were paid.
- The date that 4 damage claims (less than 1%) were filed could not be determined.

Receipt Dates

For nine of the damage claims reviewed, there were other problems which gave Envirotest more than the 14 calendar days to respond:

- For six comment forms with damage claims, the original date received by Envirotest (which was date-stamped or handwritten) was manually altered. These handwritten changes made the date received by Envirotest 2 to 24 days later.
 - We were able to determine the added days because five of the damage claims had been faxed which contained the original receipt date.
 - The sixth damage claim was mailed and the envelope in the file had the date received by Envirotest.

- For three comment forms with damage claims, the receipt date stamped by Envirotest did not match the fax date – instead it was 2 to 13 days later than the actual receipt.

Envirotest officials responded that they do “*not manually alter received dates unless they are obviously incorrect because of human error. For example, a date stamp could have been set wrong or the employee who writes in a received date might have had the wrong date in mind.*” However, in four of the six damage claims with altered dates, the original date-stamp matched the fax date on the comment form but was crossed out and a later date was handwritten.

Using the dates provided in Envirotest’s database, 15 damage claims we reviewed were not provided the three weeks to get a CEC evaluation as noted in Envirotest’s letter to motorists. One of these motorists was provided only 7 days to visit a CEC.

Two additional motorists were not given the three weeks to visit a CEC as shown in Envirotest’s database. Envirotest’s database showed that the two motorists were sent letters on July 7, 2000 to take their vehicles to a CEC, although the actual letters in the file were dated July 20, 2000. The letters gave the motorists less than a week to visit a CEC (assuming a couple of days in the mail), instead of the three weeks; neither motorist visited the CEC. Envirotest sent both motorists a letter on July 31, 2000 stating they were sent a letter on July 7, 2000 and their files are closed due to no response.

Station Investigation Reports

Envirotest’s central office in Villa Park is supposed to receive a Station Investigation Report on each damage claim from the test station which contains the station employees’ version of events regarding the damage claim. However 52 of the 555 damage claims reviewed (9%) did not have this report; 42 of these claims were not paid.

An additional 32 damage claims reviewed (6%) did not have complete Station Investigation Reports (e.g., missing employee number, missing results of the investigation); 30 of these 32 claims were not paid. One of the damage claim files had a post-it note saying that the test station kept giving a different version of events regarding the damage claim.

Comment Form Database

Envirotest makes a file for every comment form it receives. The files should contain the comment form, letters written by Envirotest, correspondence from the motorist, Station Investigation Report, and sometimes photographs of the damage. In addition, Envirotest has a database which contains most of the information in the files for reporting purposes; for example, Envirotest uses this database to report to IEPA regarding complaints, compliments, and damage claims.

We compared the information in the database to the information in the case files and found discrepancies in the database in 252 of 555 damage claims reviewed (45%).

Some damage claims in the database did not match the damage claim file for more than one item, including the following:

- The database had incorrect dates when 48 of the comment forms were received by Envirotest’s Villa Park office and when 188 Envirotest letters were mailed to motorists. For some Envirotest letters to motorists, the dates in the database were up to four days before the date in the letter. As previously noted, Envirotest has a 10 business day response time policy and an earlier date can indicate the letter was mailed within the timeframe set by policy. In addition, Envirotest establishes a three week time limit for visiting a Claim Evaluation Center and giving motorists less time may make it difficult to meet Envirotest’s deadline. Envirotest officials said Envirotest will give motorists more time upon request.
- The database had deadlines for a CEC evaluation that did not match four damage claim letters reviewed; motorists in three cases were given 2 – 4 less days less (than the three weeks that should have been given) to visit a CEC.
- The database for 32 damage claims reviewed did not show the \$25 that Envirotest is supposed to pay the CEC, although the files confirmed that Envirotest did receive a CEC evaluation. Not including the amount paid in the database could result in reports showing less than the amount paid to CECs.

DAMAGE CLAIM RATES IN OTHER STATES

In our survey, some states provided information on damage claim rates (see Exhibit 4-5). The survey data showed that Maryland (1,314) received the most complaints followed by Illinois (1,238). Missouri had the highest damage claim rate of 15.80 per 10,000 tests followed by Illinois’ 6.33 per 10,000 tests. Ohio paid the most damage claims (278) followed by Illinois (218). Colorado had the most motorists who filed an appeal (44) followed by Illinois (30). Tennessee paid the highest average dollar amount per damage claim (\$514), followed by Ohio (\$409), and then by Illinois (\$339) and Delaware (\$339).

| Exhibit 4-5 DAMAGE CLAIMS AND COMPLAINTS FY 2000 | | | | | | | | |
|---|----------------|-------------------------|--------------------------------------|-----------------|--------------|---------------|-----------|--------------|
| State | Test* | Vehicle Emissions Tests | Complaints (including Damage Claims) | DAMAGE CLAIMS | | | | |
| | | | | Rate per 10,000 | Claims Filed | Paid | Appealed | Average Paid |
| Missouri** | I/M 240 | 452,581 | 715 | 15.80 | 715 | 196 | 8 | \$281 |
| ILLINOIS** | I/M 240 | 1,647,995 | 1,238 | 6.33 | 1,043 | ***218 | 30 | \$339 |
| Maryland | I/M 240 | 1,200,000 | 1,314 | 5.41 | 649 | 117 | 1 | \$300 |
| Wisconsin | I/M 240 | 759,679 | 113 | 0.74 | 56 | n/a | n/a | n/a |
| Colorado **** | I/M 240 | 782,096 | 855 | n/a | n/a | n/a | 44 | n/a |
| D.C. | I/M 240 | n/a | 52 | n/a | n/a | n/a | n/a | n/a |
| Indiana | I/M 93 | 181,146 | 77 | 3.70 | 67 | 18 | 0 | \$138 |
| Ohio** | Idle | 1,946,102 | 808 | 3.68 | 716 | 278 | 11 | \$409 |
| Oregon | BAR 31 | Approx. 500,000 | 4 | 0.90 | 45 | 40 | 1 | \$300 |
| Delaware | Idle | n/a | n/a | 0.73 | 22 | 22 | 0 | \$339 |
| Tennessee | Idle | 800,000 | 13 | 0.03 | 2 | 2 | 0 | \$514 |
| NOTES: | | | | | | | | |
| * Since states typically use multiple emissions tests, their main test is shown when possible. | | | | | | | | |
| ** Calendar year 2000 data for Illinois, Ohio, and Missouri (whose I/M 240 program started April 5, 2000). | | | | | | | | |
| *** Data sources differed slightly (e.g., 218 vs. 220) on damage claim classifications and the number of claims paid. | | | | | | | | |
| **** Hybrid network. Other states using the I/M 240 test are centralized. | | | | | | | | |
| n/a = Not available or not applicable. | | | | | | | | |
| Source: Illinois Auditor General's survey of states. | | | | | | | | |

CONCLUSION

The contract assigns the responsibility for handling damage claims to Envirotest which is responsible for receiving, recording, and initially deciding whether to pay damage claims. While IEPA receives monthly reports on the damage claims filed with the contractor, it does not review the individual claims nor participate in the weekly meetings held by the contractor to review damage claims.

Actions taken by Envirotest during the claims process, such as letters sent to the motorist, are kept in individual case file folders. However, Envirotest did not document their specific reasons for requiring further information from a CEC or for denying damage claims. It would seem beneficial to keep minutes of these meetings to enable reviewers to determine the reasons for the decisions. These reviewers could include IEPA personnel since IEPA currently does not participate in these weekly damage claim meetings.

IEPA program managers stated that if the agency becomes involved in damage claims, the agency could become a party to litigation and the State could be held liable for damages. However, having the contractor be responsible for damage claims creates an environment where the contractor initially judges itself and decides whether it should pay any monetary damage claims.

If Envirotest does not pay a damage claim, as it did 79 percent of the time in calendar year 2000, motorists do not have any administrative recourse to a State agency although this is a State mandated program. Claims denied may have to be dropped, taken to binding arbitration with the Better Business Bureau, or litigated in a court of law.

Because the vehicle emissions test is required by State law, it would seem that the State should be involved in actively monitoring all customer service aspects of the program, including the damage claims process. IEPA could establish procedures for reviewing damage claims to ensure that the contractor is not denying appropriate damage claims and to ensure that claim payments are reasonable. IEPA already has monitoring personnel at test stations who could review damage claims (and other comment forms). See Exhibit 4-6 for involvement by other states.

| Exhibit 4-6 STATES INVOLVED IN RESOLVING DAMAGE CLAIMS |
|---|
| <ol style="list-style-type: none"> 1. California – Mediation by Bureau of Automotive Repair. 2. Colorado – State involved with rejected or contested claims. 3. Delaware – Claim filed with state. 4. Kentucky (Louisville) – Arbitration by Air Pollution Control District. 5. New York – Investigation by Department of Motor Vehicles. 6. Oregon – Tort claim filed with state. 7. Wisconsin – Unresolved claims investigated by state. |
| NOTE: Colorado and Wisconsin use the I/M 240 test like Illinois. |
| Source: Illinois Auditor General’s survey of states. |

| DAMAGE CLAIMS | |
|--|---|
| RECOMMENDATION NUMBER 2 | <i>The IEPA Division of Vehicle Inspection and Maintenance should be more involved in the damage claims process to ensure that the contractor’s records are accurate and that legitimate damage claims are paid promptly.</i> |
| IEPA RESPONSE | <p><u>Accepted; partially implemented.</u> In the first quarter of 1999, we designed and implemented a process to efficiently and effectively respond to motorists’ damage claims. An important component of the process is the 34 Claim Evaluation Centers (CEC) that can be used to provide expert evaluation on the causes of vehicle damage. CECs must meet three criteria:</p> <ol style="list-style-type: none"> a. Automotive Service Excellence (ASE) certification, b. Automotive Service Association (ASA) member, and c. I/M 240 trained. <p>To further ensure that claims receive expert and professional evaluations, we use the Better Business Bureau’s (BBB) nationally recognized dispute resolution program. We also use IEPA hotlines and the website to obtain feedback on any problems, including those associated with the damage claim process.</p> <p>The calendar year 2000 damage claim rate was 6.5 per 10,000 vehicles tested or a total of 1,043 damage claims from the total of 1,607,447 vehicles tested. Over 37 per cent of vehicle owners that used the damage claim process, including the CECs and BBB</p> |

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| | <p>when required, received reimbursement in calendar year 2000.</p> <p>We will work with the contractor to modify the present damage claim procedures to better document the basis for requiring a customer to visit a Claim Evaluation Center (CEC). The IEPA is now participating in weekly damage claim meetings to assure that all decisions are thoroughly documented.</p> <p>Finally, we are implementing procedures to review all claim files maintained by the contractor that result in a denial of payment and are verifying that documentation supports that the denial was reasonable.</p> |
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COMMENT FORMS

The vehicle emissions testing program has a process for allowing motorists to complain if they have a problem and for submitting claims if they believe their vehicle was damaged during the test. The process that exists relies on the contractor to handle complaints and damage claims pursuant to the contract (see Exhibit 4-7). If a motorist calls the IEPA toll free Hotline with a damage claim, they are asked to contact the Envirotest station where their vehicle was tested; IEPA indicated that few motorists call their Hotline with damage claims.

Motorists can complete a comment form to report complaints or compliments regarding their experience with the vehicle emissions test, or to write any damage they believe occurred. In calendar year 2000, Envirotest Illinois, Inc. reported receiving 1,584 comment forms:

- 1,043 damage claims
- 346 compliments
- 195 complaints

There are certain areas where the complaint process can be strengthened to ensure that motorists subject to the vehicle emissions test receive courteous service and know they have recourse if there is a problem.

1. Motorist Feedback. Comment forms, which can be used by motorists to write complaints, damage claims, and compliments, are within the customer service and waiting areas but are not provided to motorists except upon request. Since it could be costly to provide comment forms with all 1.65 million tests

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| <p>Exhibit 4-7 CONTRACT PROVISIONS ON DAMAGE CLAIMS</p> |
| <p>5.6.1.1 Personal Injury And Property Damage Claims “The Contractor is responsible for any injury to persons or <u>damage to vehicles</u> or other property resulting from activities related to their performance under the Contract. The Contractor shall provide a monthly report containing all claims made for personal injury or property damage.” [emphasis added]</p> |
| <p>5.6.1.2 Contractor Complaint Handling “The Contractor is required to maintain records pertaining to all motorist complaints and comments received by the Contractor and <u>shall provide a monthly report summarizing complaints and comments by number, type, station, time of occurrence and status.</u> Copies of complaints and Contractor response shall also be provided.” [emphasis added]</p> |
| <p>Source: IEPA contract with Envirotest.</p> |

(and to log in and summarize their results), the agency could provide the comment forms, or a survey questionnaire, to some of the motorists. Our survey of motorists indicated that many motorists offered comments about the testing process, which they might offer to IEPA as well if given the opportunity.

For example, although the contractor's damage claim rate was 6 per 10,000 tests, in our survey of 1,036 motorists, we received 11 written comments about vehicle damage which for comparison purposes equates to a much higher 106 damage claims per 10,000 tests. Conversely, the 48 written compliments in our survey (which equals 463 compliments per 10,000 tests) would compare much more favorably than the 346 compliments received by the contractor (2 compliments per 10,000 tests).

The IEPA Hotline number could also be written on the test results for motorists who want to call in their comments. In our survey, 12 states indicated they conducted customer surveys.

Subsequent to our discussion with IEPA about the feasibility of surveying motorists, Envirotest stated they would conduct motorist surveys in Illinois. Envirotest said it will develop a customer survey to be given during a set period each quarter which will ask customers to rate on a four-choice scale, from poor to excellent, such items as station appearance, wait time, inspector's attitude, inspector's appearance, and overall service.

Motorists could also be informed that a process exists if they have a problem because they may not be aware that they can formally complain. The information on handling problems could be communicated within any test information provided to the motorist, or could be stated in a prominently posted sign in the wait area which specifies the motorists' rights (e.g., motorist will be treated with respect, vehicle will be handled with care, service will be provided promptly, complaints will be addressed courteously, etc.). Such a sign could also draw the attention of employees to the standards of performance expected of them.

Envirotest responded that they will develop a customer's rights poster for each customer waiting area informing motorists of what they can expect, such as customer respect, prompt and courteous service, careful handling of vehicle, and other aspects of Envirotest's existing "Knock Your Socks Off" customer service program.

- 2. Correct Comment Form.** The comment form developed by Envirotest has an introductory statement which states that motorists can ask the BBB to **investigate**; however, in practice a motorist can only ask the BBB to arbitrate between them and Envirotest, not conduct an investigation to determine if Envirotest damaged the vehicle. The comment form given to motorists states: *"If you are not completely satisfied by the response [from Envirotest], you have the right to ask the Better Business Bureau to investigate our response to your original comment."* [emphasis added]

Envirotest responded that the current comment form will be corrected and the new form will state: *"If you are not completely satisfied by the response [from Envirotest], you*

have the right to ask the Better Business Bureau to arbitrate your claim as part of its nationally recognized dispute resolution program.”

- 3. Allow Additional Time.** The follow-up letter mailed to motorists who did not take their vehicle to a CEC states the claim is closed because Envirotest did not receive any materials from the CEC: *“This letter is to follow-up on your claim . . . At this time, we have not received any materials from any Claim Evaluation Centers regarding your vehicle. Therefore we have considered the matter closed since we were unable to continue investigating your claim.”* [emphasis added] Given that the CEC is supposed to mail or fax the evaluation form directly to Envirotest, and that the motorist may not even know if and when the evaluation form was sent to Envirotest, the follow-up letter from Envirotest could set a final deadline to allow the motorist time to contact the CEC in case the CEC did not submit the evaluation form, did not submit it to the correct address or fax number, or in case it was lost in the mail.

Envirotest responded that it will add a paragraph stating they will reopen the damage claim if the customer contacts them.

| CUSTOMER SERVICE | |
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| RECOMMENDATION NUMBER 3 | <i>The IEPA Division of Vehicle Inspection and Maintenance should strengthen the customer service process by increasing the accessibility of available information and options for motorists to submit comments and complaints, and should improve its follow-up with motorists.</i> |
| IEPA RESPONSE | <p><u>Accepted.</u> The Auditor General’s customer satisfaction survey reflects the importance that the IEPA and its contractor have placed on customer service with survey respondents providing an overall rating between satisfied and very satisfied. To further enhance customer satisfaction, the IEPA has now modified the vehicle emission test notices that are sent out to all motorists to solicit their opinion and to let them know that comment forms are available at the emission test stations. We also promote our website as a source for additional information. Once at the website, a motorist can e-mail a message to IEPA regarding questions or comments. The Agency’s hotline telephone number is also included on the emission test notice to provide another avenue to provide input or resolve issues. We will further strengthen the customer service process by taking the following actions:</p> <ul style="list-style-type: none"> a. We will initiate a periodic customer satisfaction mail-in survey process similar to the one used by the Auditor General in this audit. We will also survey a sample of vehicle owners that did not visit a Claim Evaluation Center, as directed by IEPA’s contractor, in order to determine the reason for their decision. We will follow-up on any questions or issues raised in the motorist surveys. |

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| | <ul style="list-style-type: none">b. The IEPA will ensure that the contractor develops and displays a customer's rights poster in each customer waiting area.c. We will ensure that the contractor distributes and fully utilizes the customer service surveys provided at the test stations. |
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Chapter Five

PROGRAM MONITORING

CHAPTER CONCLUSIONS

The Illinois Environmental Protection Agency vehicle emissions testing program has established a structure to monitor the contractor, however, some monitoring methods and procedures may be enhanced. The program did not have a written policy manual, or written procedures for its test station monitoring personnel and for imposing liquidated damages although this is a program involving a nine-year contract worth \$392 million.

In calendar year 2000, IEPA State Inspectors completed 25,927 daily test procedure monitoring reports which evaluate Envirotest's testing procedures; the maximum number of daily test procedure monitoring reports that could have been prepared was double (52,740) if all were completed daily and if there were no vacancies or other time off (sick, vacation).

IEPA could better examine individual station performance by combining a variety of monitoring reports, such as compliance ratings, liquidated damages, and wait time, which could give a more complete picture of individual stations' performance and indicate areas which need to be improved.

IEPA imposed a total of \$731,045 in liquidated damages on Envirotest for non-compliance with the contract in FY 2000, such as for excessive wait time and performing the incorrect testing procedures. This included \$53,391 in liquidated damages for 1,826 violations reported by test station monitoring personnel – half for not performing a required pre-safety check which may help reduce damage claims.

MONITORING STRUCTURE

The Illinois vehicle emissions testing program has a direct impact on the public because of its goals, resources, size, and penalties. The goal of the program is to improve air quality and that goal is pursued by using over \$50 million a year in federal and State funds (total value of the nine-year current contract is \$392 million plus \$48 million in construction and equipment costs). The program uses a contractor and has an approved headcount of 133 State employees. This program impacts approximately 1.65 million citizens a year by mandating that their vehicles' emissions be tested every other year. Citizens who do not comply with this law face a penalty that suspends their driver's license. This large program is governed by complex federal regulations and by a contract that is approximately 1,200 pages with contract-related documents. Given these factors, the program requires careful management and monitoring.

The Division of Vehicle Inspection and Maintenance (DVIM), which operates the vehicle emissions testing program, has established a structure to monitor the program pursuant to federal regulations and its contract with Envirotest. The specific methods and procedures used to monitor the contractor’s performance include the following:

- having IEPA State Inspectors at the test stations;
- having IEPA Quality Assurance Auditors visit test stations;
- obtaining reports from the contractor; and
- imposing liquidated damages on the contractor.

The Bureau of Air, which includes DVIM, issues new employees an employee handbook dated 1997 that addresses matters such as agency overview, programs under the Bureau of Air (including one page on the vehicle emissions testing program), overall legal authority to operate programs and adopt rules, and administrative matters such as timekeeping and overtime.

DVIM did not have a policy manual which specified the methods and procedures used to monitor the program. A policy manual for the vehicle emissions program is important because it can be used to inform employees of program goals, train new employees, indicate expected levels of performance, and ensure continuity if there is turnover in key personnel. A manual could include the following:

- Vehicle emission testing program’s purpose, goals, and objectives.
- Administrative procedures, organizational structure, and position responsibilities.
- Training requirements for division employees.
- Management controls, such as the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring program performance.
- Contractual and regulatory requirements, including contract deliverables, reports, reporting requirements, and non-compliance that is subject to liquidated damages.

During a June 7, 2001 meeting with us at which this matter was discussed, IEPA program managers stated they would develop a policy manual during the next three months.

| POLICY MANUAL | |
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| RECOMMENDATION NUMBER 4 | <i>The IEPA Division of Vehicle Inspection and Maintenance should establish a written policy manual to guide program operations.</i> |
| IEPA RESPONSE | <u>Accepted.</u> We have implemented one of the most comprehensive monitoring programs in the nation to ensure that Illinois vehicle owners are receiving high quality services from the Illinois vehicle-testing program. We use a team of State Compliance Inspectors, |

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| | <p>Compliance Supervisors, and Quality Assurance Auditors to conduct performance reviews on a daily basis at the 35 testing stations in the Chicago and East St. Louis metropolitan areas.</p> <p>The IEPA has been using an on-the-job training program, implemented by veteran staff, to train less experienced State Inspectors and Quality Assurance Auditors. This process is aided by the use of detailed monitoring forms that help guide Inspectors and Quality Assurance Auditors through the inspection and auditing process. However, we have now initiated the development of a more formal, written policy manual that will fully document and describe the specific methods and procedures to be used by staff to monitor the program.</p> |
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MONITORING PERSONNEL AT TEST STATIONS

IEPA’s Division of Vehicle Inspection and Maintenance has 44 positions to monitor the contractor’s performance. These include Vehicle Emissions Compliance Inspectors (State Inspectors), their supervisors, Vehicle Emissions Quality Assurance Auditors, and their manager (see Exhibit 5-1). Having personnel at the test stations helps the agency oversee the contractor’s work, although this monitoring could be improved.

Monitoring Forms

There are eight different forms that State Inspectors, who are based at test stations, may complete to monitor the contractor and report problems (see Appendix D for blank forms):

1. **Test Procedure Monitor** – State Inspectors are expected to complete at least six of these daily reporting forms to record their evaluations of Envirotest personnel conducting the vehicle emissions tests to ensure proper procedures were used (e.g., pre-safety check, correct test used). This monitoring report along with the next report document the observations of State Inspectors and are informally known as “observations.”
2. **Customer Service Monitor** – State Inspectors are expected to complete at least two of these daily reporting forms evaluating customer service provided by Envirotest.
3. **Daily Station Maintenance Report** – State Inspectors are expected to complete this reporting form daily to record if the station is clean and in working order.
4. **Notice of Violation of Customer Service Procedures** – State Inspectors may complete this reporting form in addition to the Customer Service Monitor form for more significant violations.

5. **Waiver/Denial Deficiency Cover Sheet** – State Inspectors may complete this reporting form for motorists who were inappropriately denied a waiver from the test (e.g., contractor did not complete denial process or did not perform vehicle inspection, vehicle did not have all air pollution control devices connected, etc.).
6. **Lane Downtime Report** – State Inspectors may complete this reporting form to record lane downtime, the reasons for the downtime, and the repairs made to fix the lane.
7. **Problem Report** – State Inspectors may complete this reporting form when there is a specific problem involving a motorist, including corrective action taken and any further action required.
8. **New Hire/Certification Monitoring** – State Inspectors may complete this reporting form when observing a new Envirotest lane inspector.

We sampled reports pertaining to State Inspector monitoring at nine test stations. The program manager provided a summary report that showed the number of reports prepared while all the actual reports were supposed to be at the test stations. We verified that reports were prepared by reviewing them for nine test stations for October 2000 and found that the October summary report was generally accurate – only 89 of 1,545 monitoring reports sampled were missing (6%). The main exceptions were at Wood River which was missing one-third of the reports sampled (55 of 165), Kedzie which was missing 15 of 99 daily monitoring reports, and Elk Grove which was missing 12 of 167 daily monitoring reports.

| Exhibit 5-1 TEST STATION MONITORING PERSONNEL Calendar Year 2000 |
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| <p>32 Vehicle Emissions Compliance Inspectors (State Inspectors) are based at stations and are responsible for:</p> <ul style="list-style-type: none"> ▪ Monitoring and documenting the contractor’s daily performance. ▪ Preparing daily monitoring reports. ▪ Reviewing surveillance videotape. ▪ Explaining the statutory grievance process to affected motorists. ▪ Monitoring contractor provided training. ▪ Reviewing contractor training records. <p>4 Vehicle Emissions Compliance Supervisors are responsible for:</p> <ul style="list-style-type: none"> ▪ Reviewing reports prepared by compliance inspectors. ▪ Performing analysis to identify potential liquidated damage situations. <p>7 Vehicle Emissions Quality Assurance Auditors are responsible for:</p> <ul style="list-style-type: none"> ▪ Conducting technical audits. ▪ Auditing contractor’s employee training program. ▪ Auditing stations for proper maintenance and appearance. <p>1 Quality Assurance Manager is responsible for:</p> <ul style="list-style-type: none"> ▪ Performing unannounced station visits to monitor contractor. ▪ Reviewing audits conducted by Quality Assurance Auditors. |
| <p>Source: IEPA.</p> |

Procedures Manual

The IEPA test station monitoring personnel did not have a written procedures manual to guide them in fulfilling their duties and to provide the agency’s criteria and expectations for evaluating the performance of stations and their personnel. The program had instructions for one form completed by Quality Assurance Auditors, named Motorist Attendant Interaction Monitor, but not for the forms used by their State Inspectors to report the results of their monitoring. The program manager stated that the forms are

easy to follow and are self-explanatory about what elements should be included in the forms.

A lack of written procedures can increase subjectivity and inconsistency in the monitoring that is performed. For example, IEPA personnel noted that some State Inspectors were strict monitors while others were more lenient and that there could be subjectivity in completing the monitoring forms due to the personal styles of State Inspectors.

IEPA program managers consider the test procedure monitoring form (also known as State Oversight Station Audit), and customer service monitoring form (also known as Station Inspection Counter Audit), overt audits of activity in test lanes. Federal regulations require audits of test lanes and call for it to be based on written procedures, as does the contract with Envirotest:

- Federal regulations state that there should be “* * * *written procedures manuals covering both overt and covert performance audits, record audits and equipment audits.*” [emphasis added] (40 CFR Ch 1. 51.363 (e))
- IEPA’s contract with Envirotest also has a requirement that calls for conducting audits which “* * * *shall be based upon written procedures, and results shall be reported * * * [and] retained in the inspector personnel and other appropriate files, with sufficient detail to support an administrative or civil hearing.*” [emphasis added] (Section 6.5.10.1 of the RFP which was incorporated into the contract)

The Division of Vehicle Inspection and Maintenance had a Field Services Procedures Manual dated April 1993. The manual was for the Division’s field personnel who were responsible for providing customer service under the basic idle testing program used from 1986 to early 1999. Under the current I/M 240 program, IEPA employees do not provide customer service; that responsibility now belongs to Envirotest. Envirotest has an operations manual to guide their personnel through the testing process. IEPA drafted a manual during the audit titled “State Inspector Procedures” which was awaiting approval by the union and also provided a draft of a “Field Services Procedures Manual” dated July 20, 2001.

Personnel Coverage

IEPA has assigned State Inspectors to individual test stations to monitor test procedures, customer service, cleanliness, and other operations. The test stations, however, did not always have monitoring personnel present due to six vacancies, authorized time off (vacation, sick), and the work hours of State Inspectors. State Inspectors work 37.5 hours per week while stations are open 55 hours, meaning inspectors are not present almost one-third of the time that the stations are open.

IEPA indicated that supervisors increased their visits during State Inspectors’ absences. Supervisors, however, do not complete the test procedure monitoring reports. Quality Assurance Auditors, whose primary responsibility is to perform technical audits

(e.g., equipment audits) also visit stations, typically weekly. Weekly oversight would also not be as effective as daily on-site monitoring that State Inspectors provide.

Absence of State Inspectors from the test station reduces monitoring over contractor personnel and procedures which can affect the service provided to motorists. State Inspectors indicated their presence is evident when they are actively observing and recording compliance with test procedures since they can see contractor employees being more attentive. Monitoring is also necessary as evidenced by the non-compliance reported by IEPA monitoring personnel, and by the liquidated damages imposed on the contractor each month (discussed later in report).

- IEPA imposed \$53,391 in liquidated damages based on 1,826 violations reported by its test station monitoring personnel in FY 2000.
- The most common problem observed by State Inspectors that was subject to liquidated damages was contractor personnel not performing the required safety inspections. IEPA monitoring personnel noted 946 occurrences of lacking or inadequate vehicle safety inspections in FY 2000 which resulted in \$17,983 in liquidated damages; pre-safety inspections may help reduce damage claims.

IEPA could establish criteria in a procedures manual and provide training to make the daily test procedures monitoring less subject to the individual styles of State Inspectors. A lack of written procedures for State Inspectors may result in incomparable conclusions and varied liquidated damages. It may also result in not all liquidated damages being assessed.

Monitoring Test Procedures

IEPA State Inspectors completed approximately half of the daily test procedure monitoring reports which evaluate Envirotest's testing and customer service procedures. A test procedure monitoring report has Yes/No questions that ask if wait time entry was proper, if a pre-test safety inspection was performed, if a gas cap test was performed, if the proper test (I/M 240 or idle) was performed, and so on.

State Inspectors enter the results of these monitoring reports into their computers to calculate monthly compliance ratings. The results of these reports, as other reports, may also be used by IEPA to assess liquidated damages.

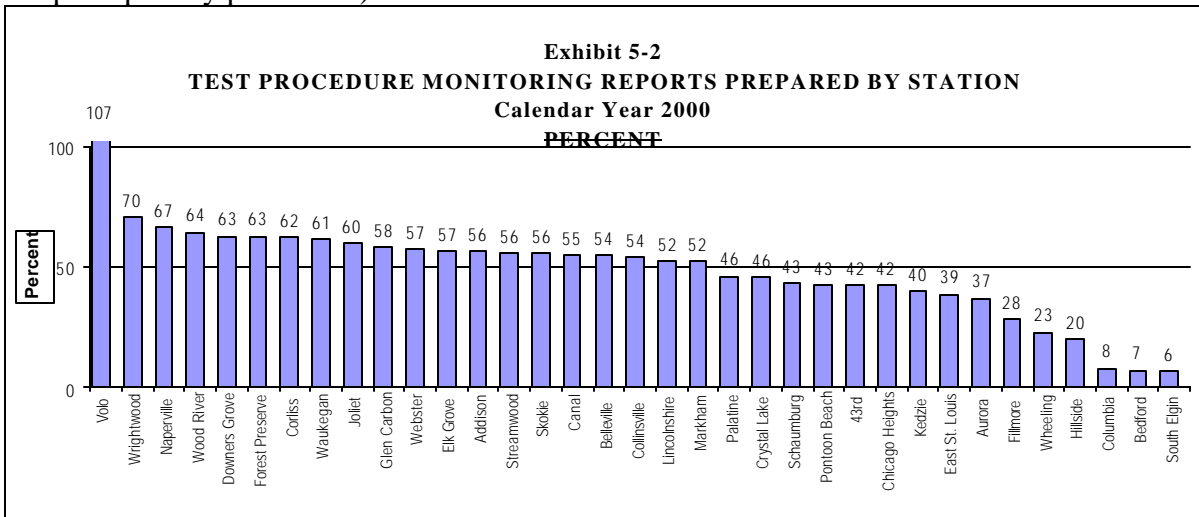
Until April 16, 2000, State Inspectors were expected to prepare a minimum of four test procedure monitoring reports each day when this number was increased to six reports per day to improve monitoring. If all reports were prepared for the 35 stations in calendar year 2000, this would equate to 52,740 reports. In actuality, 25,927 daily test procedure monitoring reports were reportedly prepared, or 49 percent of the maximum possible.

After our June 7, 2001 meeting at which this matter was discussed, program personnel said the number of daily monitoring reports (e.g., six) was a guideline and not a

requirement and that the compliance ratings were for internal use only. The program manager stated that “. . . the Agency does not, by practice or by contractual requirement, calculate a compliance rating for test stations, i.e. none of the eight forms listed [earlier in the chapter] . . . are used to calculate a compliance rating.” However, IEPA monthly Test Procedures Monitor Summary reports did contain compliance ratings – they included three columns titled Compliance, Non-Compliance, and Percent In Compliance which showed specific scores for each test station.

In addition, the draft manual dated July 20, 2001 states “. . . it is the state inspector’s responsibility to complete the required number of TPM’s [Test Procedure Monitor] daily. Your supervisor will determine the specific number required.” The draft manual fails to establish a minimum number of daily monitoring reports thereby allowing some supervisors to require few or no monitoring reports. These factors further indicate that IEPA needs to establish specific written policies and procedures to ensure consistency in monitoring the contractor.

Exhibit 5-2 shows the percent of the daily test procedure monitoring reports that were prepared by State Inspectors in calendar year 2000. The range for the 35 test stations was from 107 percent at Volo to 6 percent at South Elgin. Most stations had approximately 50 percent of the number of reports that could have been prepared if all stations had a State Inspector daily who prepared the appropriate number of reports (4 or 6 reports per day per station).



NOTES:

Canal is also known as Chicago – 14th Place

Kedzie is also known as Chicago – 76th

Corliss is also known as Chicago – 114th

Source: IEPA data analyzed by the Illinois Auditor General’s Office.

IEPA monitoring personnel show to Envirotest station managers the individual daily test procedure monitoring forms, quality assurance Motorist Attendant Interaction Monitor forms, and other review forms which report problems, and send the forms to

IEPA’s Springfield Office for determining if the problems constitute non-compliance with contractual procedures that are eligible for liquidated damages.

MONITORING BY OTHER STATES

In our survey, most states who have a centralized network or use an enhanced test said they used a combination of on-site (test station) personnel, site visits, reports, audits, and evaluations. Twelve of the states, including Illinois, provided information on the methods used to monitor their program (see Exhibit 5-3 and Appendix C):

- 12 states conducted overt or covert audits.
- 11 states had personnel make site visits.
- 10 states received reports on program operations.
- 8 states had on-site monitoring personnel.
- 8 states conducted a program evaluation.

| Exhibit 5-3 MONITORING METHODS USED BY STATES (I/M 240 Test or Centralized Network*) FY 2000 | | | | | | |
|---|--------------------------|-------------------|-------------|-----------|-----------|--------------------|
| State | Test | MONITORING | | | | |
| | | On-Site Personnel | Site Visits | Reports | Audits | Program Evaluation |
| 1. Colorado | I/M 240 | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. ILLINOIS | I/M 240 | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. Maryland | I/M 240 | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. Missouri | I/M 240 | | ✓ | ✓ | ✓ | ✓ |
| 5. Wisconsin | I/M 240 | | ✓ | ✓ | ✓ | ✓ |
| 6. Indiana | I/M 93 | | ✓ | | ✓ | ✓ |
| 7. Arizona | I/M 147 | ✓ | ✓ | ✓ | ✓ | |
| 8. Ohio | Idle | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. Washington | ASM 25/25 | | | ✓ | ✓ | |
| 10. Delaware | Idle TSI | ✓ | ✓ | | ✓ | |
| 11. Tennessee | Idle | ✓ | ✓ | ✓ | ✓ | |
| 12. Kentucky – Frankfurt | Idle | ✓ | ✓ | ✓ | ✓ | ✓ |
| Kentucky – Louisville | Hybrid TS loaded mode | | ✓ | ✓ | ✓ | ✓ |
| Total States** | | 8 | 11 | 10 | 12 | 8 |
| NOTES: | | | | | | |
| * The District of Columbia (which used the I/M 240 test) and Oregon (centralized network) did not provide data on program monitoring. | | | | | | |
| ** Kentucky has two separate programs but are counted once as a state. | | | | | | |
| Source: Illinois Auditor General’s survey of states. | | | | | | |

OTHER MONITORING ISSUES

IEPA is not using all available reports to monitor the test stations and strengthen contract monitoring. IEPA could better examine individual station performance by combining a variety of monitoring reports, such as compliance ratings, liquidated

damages, and wait time, which could give a more complete picture of individual stations’ performance and indicate areas which need to be improved. Comparison and competition among stations may also improve their performance which could result in better customer service. IEPA could review contractor performance using these monitoring tools to discuss problems, their cause, and potential corrective action.

IEPA could rotate State Inspector assignments since inspectors must work everyday with the contractor’s personnel and rotation may provide a fresh perspective. IEPA could use supervisors of State Inspectors and Quality Assurance Auditors to fill-in for State Inspectors who are unavailable due to vacations, sick days, and vacancies. IEPA program managers stated that varying work assignments may require negotiations with the union and that the next contract will not become effective until 2004.

Supervisors of State Inspectors are scheduled to visit each station on a weekly basis. Their responsibilities include monitoring the work of the State Inspectors, picking up and delivering timecards, and assisting with the training of new State Inspector trainees. Supervisors also review the various reports and forms that are prepared by State Inspectors, particularly those which indicate deficiencies; however, supervisors do not sign off on the forms to indicate their review.

| TEST STATION MONITORING | |
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| RECOMMENDATION NUMBER 5 | <p><i>The IEPA Division of Vehicle Inspection and Maintenance should:</i></p> <ul style="list-style-type: none"> • <i>Establish a written procedures manual, including written procedures for all monitoring forms.</i> • <i>Improve personnel coverage of test stations and complete daily monitoring reports on all test stations.</i> • <i>Document reviews performed by supervisors.</i> • <i>Use all the monitoring reports to improve test stations’ performance.</i> |
| IEPA RESPONSE | <p><u>Accepted; partially implemented.</u> The results of the Auditor General’s customer satisfaction survey confirm the overall effectiveness of IEPA’s monitoring program which is designed to ensure that the program is providing high quality services to Illinois vehicle owners. This previous effort is now in the process of being enhanced as IEPA drafts written procedures covering station-monitoring activities.</p> <p>To improve personnel coverage of test stations, we use Quality Assurance Auditors and State Inspector Supervisors to help cover vacancies due to staff turnover, vacations, etc. The State Inspector Supervisors are also now signing off on their appraisal of station monitoring reports in order to document their review.</p> <p>We will ensure that all monitoring reports are routinely used and</p> |

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| | that information gathered on the reports is used to improve station performance. |
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CONTRACTOR PREPARED REPORTS

IEPA receives a number of reports from the contractor, including monthly reports, quarterly reports, and annual reports on station operations. These reports address the number and types of tests performed, wait time, quality control, damage claims, complaint handling, and other similar aspects of program performance.

Operational Reports

We sampled the reports submitted by the contractor to the IEPA vehicle emissions testing program to verify they had been received and found that all the 22 reports had been received by IEPA. These reports were:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Monthly Test Summary Reports 2. Monthly Station Summary Reports 3. Monthly Wait Time Reports 4. Monthly Quality Control Reports 5. Monthly Inspector Summary Reports 6. Monthly Compliance Status Reports 7. Quarterly Repair Facility Performance Report 8. Quarterly Repair Reports 9. Quarterly Contractor Quality Control Report 10. Quarterly Damage Claim Report 11. Annual Test Summary Reports | <ol style="list-style-type: none"> 12. Annual Station Summary Reports 13. Annual Quality Control Reports 14. Annual Emission Summary Reports 15. Annual Repair Reports 16. Monthly Call Report 17. Monthly Billing File 18. Personal Injury and Property Damage Claims 19. Contractor Complaint Handling 20. Contractor Employee Reporting 21. Covert Audit Report 22. Solicitation Report |
|---|---|

Some of the reports were carryover from the 1980s and may contain unneeded or excessive data. Receiving reports that are not useful can drain limited resources while excessive data can reduce the efficiency of monitoring. For example, when we wanted to use the data in the Annual Station Summary Report to determine the number of vehicles that passed/failed the emissions test by model year, the number of vehicles passed plus the number of vehicles failed did not equal the total number of vehicles tested. Program personnel told us the report had not been quality assured and, therefore, they did not use the report. A formal review of the reports received by the program could be performed to identify the reports which should continue to be received or which should be discontinued to save time, money, paper, and storage.

Audits

The contract and federal regulations also specify several types of audits to monitor the vehicle emissions testing program’s performance. The agency conducts some of the audits although more could be done to comply with all aspects of regulatory and contractual requirements.

1. **Inspector Performance Audits.** Federal regulations require IEPA to conduct both overt and covert audits of State Inspectors’ performance: *“Performance audits shall be conducted on a regular basis to determine whether inspectors are correctly performing all tests and other required functions. Performance audits shall be of two types: overt and covert.”* [emphasis added] (40 CFR Ch. 1 Subpart S 51.363 (a))

IEPA’s contract with Envirotest also refers to overt and covert inspector performance audits. Agency officials indicated the requirement to conduct overt audits is satisfied by (1) the daily monitoring reports of State Inspectors known as State Oversight Station Audits (or test procedure monitoring report); (2) the daily monitoring reports of State Inspectors known as Station Inspection Counter Audit (or customer service monitoring report); and (3) the Motorist Attendant Interaction Monitor report prepared by Quality Assurance Auditors.

As for covert auditing, they are currently performed by the contractor and are intended to identify any improper procedures. The contractor submits a report to IEPA each month which typically contains four columns that contain the following information for each audit: date of audit, station number, lane number, and results. Except for two audits, the result of the other 120 audits stated “No Improper Test.” In the two audits where a problem was reported, Envirotest said it took personnel action. Although the contractor reported taking action, self-auditing by the contractor can not be a substitute for independent audits conducted by IEPA, similar to the overt audits that IEPA performs.

During a June 7, 2001 meeting with us at which this matter was discussed, IEPA program managers stated that they will implement a covert auditing program in three months.

2. **Audits of Auditors.** Federal regulations state that the program’s auditors should also be audited annually: *“(1) Auditors shall be formally trained and knowledgeable in * * * (ii) Program rules and regulations * * * (iv) Basic principles of motor vehicle engine repair related to emission performance * * * (2) Auditors shall themselves be audited at least once annually.”* [emphasis added] (40 CFR Ch. 1 Subpart S 51.363 (d))

IEPA officials noted that they have been subject to several audits: an internal audit of the vehicle emissions program completed in 2001, financial and compliance audits by the Illinois Auditor General’s Office, and this management audit. However, these audits do not fulfill the requirement of annual audits of the auditors (i.e., State Inspectors, Quality Assurance Auditors) and this management audit is a one-time audit. The IEPA internal auditor stated that the vehicle emissions testing program will be on their three-year audit cycle. In addition, there is no program established to audit the personnel conducting the covert audits which are currently being performed by the contractor. IEPA indicated that they are developing a plan to audit the auditors.

3. Program Evaluation. Federal regulations indicate that vehicle emissions testing programs operated by states should conduct a program evaluation, conduct audits, verify the status of exempt vehicles, and report program statistics to the U.S. EPA.

- The State shall report the results of the program evaluation on a biennial basis * * * . [emphasis added] (40 CFR Ch. 1 Subpart S 51.353 (c) (1))
- The program shall employ sufficient personnel to effectively carry out * * * administrative audits, inspector audits, data analysis, program oversight, program evaluation, public education and assistance, and enforcement against stations and inspectors as well as against motorists who are out of compliance. [emphasis added] (40 CFR Ch. 1 Subpart S 51.354 (b))
- The program shall submit to EPA by July of each year a report providing basic statistics on the testing program for January through December of the previous year * * * . [emphasis added] (40 CFR Ch. 1 Subpart S 51.366 (a))
- The program shall submit to EPA by July of each year a report providing basic statistics on the quality assurance program for January through December of the previous year, including: * * * (4) The number of inspectors and stations: (i) That were suspended, fired or otherwise prohibited from testing as a result of covert audits; (ii) That were suspended, fired or otherwise prohibited from testing for other causes; and (iii) That received fines * * * . [emphasis added] (40 CFR Ch. 1 Subpart S 51.366 (b))

IEPA program managers said the U.S. EPA encouraged states to first concentrate on making their vehicle inspection programs fully operational, then work on reporting. They stated that the “USEPA did not request that states complete an annual report. They were concerned about states getting their programs up and running properly. In Illinois we are in close contact with Region 5 of USEPA.”

Program managers added that they are taking steps to implement the other federal regulations, such as randomly sampling exempt vehicles to verify their status, and they are preparing a biennial report to U.S. EPA. A representative from Region 5 of the U.S. EPA said they have relaxed reporting requirements on states.

| REPORTS | |
|---|---|
| RECOMMENDATION NUMBER 6 | <i>The IEPA Division of Vehicle Inspection and Maintenance should fulfill all the auditing and reporting requirements in federal regulations and review the reports it receives to determine those which may no longer be necessary.</i> |
| IEPA RESPONSE | <u>Accepted.</u> Over the last two years, IEPA’s Vehicle Emissions Testing Program has been extensively audited including the Office of the Auditor General’s (OAG) fiscal year 2000 financial and compliance audit, the OAG’s fiscal year 2001 financial and compliance audit, a comprehensive program audit conducted by our internal auditors in fiscal year 2001, and the current OAG management audit. We have contacted the USEPA regarding guidance on the auditing and reporting requirements stipulated in |

| | |
|--|---|
| | <p>the federal regulations. USEPA has not developed such guidance but is willing to work with the IEPA to develop auditing and reporting protocols to be used in association with vehicle testing programs in operation nationwide. As another element of our response to this recommendation, we will enhance current auditing activities to include the following:</p> <ul style="list-style-type: none">a. Quality Assurance Auditors will be provided additional training on auditing methods and procedures for conducting audits of contractor lane inspector activities. We will be utilizing our internal auditors and a University of Illinois consultant to conduct the audit training.b. The IEPA will conduct a review of operational reports received from the contractor to determine which reports should be discontinued. <p>Also, the IEPA has now fully implemented its own covert auditing program to supplement the program run by the contractor.</p> |
|--|---|

LIQUIDATED DAMAGES

IEPA’s contract with Envirotest establishes performance standards and, if these standards are not met, IEPA can impose liquidated damages. When IEPA imposes liquidated damages, it means that money is withheld from contractor payment for non-compliant tests.

IEPA imposes liquidated damages based on monthly performance data that is electronically submitted by the contractor to IEPA, and based on monitoring reports prepared by its test station monitoring personnel. Over 90 percent of the liquidated damages were imposed using data electronically provided by the contractor to IEPA each month. Some of this data comes from information entered in the computer when a vehicle is tested, such as arrival time, start time for test (test start time minus arrival time equals wait time), type of test performed, etc. This data is analyzed by IEPA to determine if improper tests were performed, wait time exceeded the contractual agreement, there were errors in data entry, etc. This analysis can result in liquidated damages being imposed.

If IEPA’s test station monitoring personnel observe procedures at test stations that indicate non-compliance with the contract, they may verbally ask Envirotest to correct the problem if it is minor, or they may document the non-compliance in their monitoring report. Non-compliance that is written-up in monitoring reports is submitted to an Agency Project Manager in IEPA’s Division of Vehicle Inspection and Maintenance who is responsible for determining if the non-compliance meets the condition in the contract for liquidated damages. If the Agency Project Manager concludes the non-compliance is subject to liquidated damages under the contract, the amounts of non-compliance are

included in a monthly Letter of Intent to Assess Liquidated Damages which is reviewed and signed by the IEPA Vehicle Emissions Testing Program Manager.

The contractor generally responds to some of the non-compliance issues listed in IEPA’s Letter of Intent by providing additional documentation. An issue often discussed is whether the contractor miscoded the test. IEPA takes this into consideration before imposing liquidated damages which are deducted from a subsequent monthly payment to the contractor.

In FY 2000, IEPA imposed \$731,045 in liquidated damages on Envirotest as shown in Exhibit 5-4. (We obtained fiscal year 2000 data since liquidated damages are not finalized and imposed for months after the test since Envirotest is authorized to contest.) In FY 1999, liquidated damages totaled only \$68,665; however, the I/M 240 test did not start until February 1999, four months before the end of the fiscal year.

| Exhibit 5-4 LIQUIDATED DAMAGES IMPOSED BY IEPA ON ENVIROTEST FY 2000 | | | | | |
|---|--|---------------|---------------|------------------|-----------------------|
| Violation Number | Violation Title | Source | Number | Sub-Total | Category Total |
| 6.7.2.2 | Improperly logged-in lane inspectors | Billing file | 6,106 | \$114,060 | |
| | Idle testing of vehicles requiring I/M 240 | Billing file | 4,375 | \$82,881 | |
| | Improper procedures: pre-safety | Observations | 946 | \$17,983 | |
| | Unauthorized lane inspectors | Billing file | 612 | \$11,766 | |
| | Improper procedures: wait time ticket procedures | Observations | 197 | \$3,778 | |
| | Improper procedures: VIR’s and/or RDR’s not given to motorist | Observations | 111 | \$2,142 | |
| | Improper procedures: improper vehicle rejects | Observations | 110 | \$2,099 | |
| | Improper procedures: improperly logged-in/logged-out lane inspectors | Observations | 78 | \$1,505 | |
| | Improper procedures: improper waiver inspections | Observations | 67 | \$1,284 | |
| | Improper procedures: failure to review vehicle record | Observations | 55 | \$1,062 | |
| | Improper procedures: gas cap | Observations | 48 | \$919 | |
| | Improper procedures: dual tail pipe | Observations | 33 | \$631 | |
| | Improper procedures: dilution | Observations | 26 | \$502 | |
| | Improper procedures: identification of unauthorized lane inspectors | Billing file | 14 | \$270 | |
| | Improper procedures: failure to turn off engine in position 3 | Observations | 9 | \$174 | |
| | Improper procedures: fan not used | Observations | 9 | \$174 | |
| | Improper procedures: back to back tests | Observations | 8 | \$149 | |
| Improper procedures | Billing file | 4 | \$75 | | |
| I/M 240 testing of vehicle requiring idle test | Billing file | 2 | \$37 | | |
| Improper procedures: improper retest procedures | Observations | 2 | \$39 | \$241,530 | |
| 6.7.2.10.1 | Daily average wait time exceedances | Billing file | 75 | \$174,500 | \$174,500 |
| 6.7.2.6 | Loss or corruption of data: vehicle records missing owner names | Billing file | 8,800 | \$164,384 | |
| | Loss or corruption of data: loss or corruption of transaction records | Motorists | 183 | \$3,470 | |
| | Loss or corruption of data: test notices with no test date | Motorists | 134 | \$2,545 | |
| 6.7.2.4.2 | Late or missing compliance records | SOS records | 5,052 | \$96,091 | \$96,091 |
| 6.7.2.18 | Failure to provide two customer service personnel during operating hours | Observations | 55 | \$13,750 | |
| | Failure to provide customer service without delay | Observations | 39 | \$3,900 | |
| | Failure to provide appropriate level of customer service: 3 or more motorists waiting | Observations | 30 | \$3,000 | |
| | Failure to provide uninterrupted service while motorists wait in customer service area | Observations | 3 | \$300 | |
| 6.7.2.9 | Failure to process vehicle record updates | SOS records | 6 | \$15,000 | \$15,000 |
| 6.7.2.11 | Failure to provide access to the system | Billing file | 25 | \$12,475 | \$12,475 |
| 6.7.2.7 | Failure to meet productions schedules | SOS records | 1 | \$100 | \$100 |
| | | TOTALS | 27,215 | \$731,045 | \$731,045 |

Source: IEPA data summarized by the Office of the Auditor General.

IEPA imposed the most liquidated damages for improper procedures in FY 2000 – a total of \$241,530 for various types of improper procedures, such as improper computer log-ins by inspectors, incorrect type of test, not performing pre-safety procedures, unauthorized lane inspectors, improper wait time procedures, etc.

The second highest liquidated damages were imposed for wait time (\$174,500), mainly for daily average wait times that exceeded 15 minutes. The third highest liquidated damages were imposed for records about the vehicle that were missing or incorrect (\$170,399).

While it may not be possible to eliminate all problems (e.g., human errors) even with active follow-up, formal follow-up procedures and corrective action reports from the contractor may reduce repeat problems. A corrective action plan for repeated non-compliance should be considered since this is a public program which involves customer service and inspection of private vehicles that might be damaged if correct tests and procedures were not performed. IEPA has contracted the testing of this program but it still retains ultimate responsibility.

As indicated previously, State Inspectors submit the monitoring reports to their supervisors who forward the reports to the Agency Project Manager if they believe the non-compliance might be subject to liquidated damages. The Agency Project Manager determines which of the possible non-compliance to include or exclude in the Letter of Intent. No reports are prepared to show the number and amount of potential non-compliance submitted by supervisors that were not assessed liquidated damages. Such reports could indicate to management the amount and percent of possible liquidated damages assessed or not assessed.

Also, this important function which resulted in \$731,045 in liquidated damages in fiscal year 2000 alone, does not have written procedures and relies on one individual to make a determination of whether procedures identified by State Inspectors constitute non-compliance with the contract and is subject to liquidated damages. Procedures that govern liquidated damages could be written to guide this process, such as:

- Purpose of liquidated damages.
- Errors that indicate contractual non-compliance eligible for liquidated damages.
- Criteria for determining whether liquidated damages apply.
- Review process to ensure that all possible liquidated damages were imposed.
- Imposition of liquidated damages.
- Process for contractor to respond and contest.
- Factors considered by the program in reducing liquidated damages.
- Final assessment of liquidated damages.
- Controls to ensure contractor acts to correct the non-compliance.

IEPA has some of this information in various places such as the contract or the Letter of Intent to Assess Liquidated Damages.

| LIQUIDATED DAMAGES | |
|--|---|
| RECOMMENDATION NUMBER 7 | <i>The IEPA Division of Vehicle Inspection and Maintenance should establish written procedures for imposing liquidated damages, and formally follow-up on the liquidated damages imposed to ensure that the contractor is taking corrective action.</i> |
| IEPA RESPONSE | <u>Accepted.</u> The current emission test contract contains significant discussion and written guidance on the liquidated damages process. However, we will issue additional detailed guidance on the procedures for imposing damages and include a formal corrective action process for the contractor. |

Chapter Six

PROGRAM OPERATIONS

CHAPTER CONCLUSIONS

State statute and Illinois Environmental Protection Agency's contract with Envirotec establish limits on the time that motorists should have to wait in line before their vehicles are tested. The statute requires that wait time not exceed 20 minutes and the contract sets the daily average wait time at test stations to be under 15 minutes. IEPA found that in 75 instances (beyond the four days per month per test station that is permitted) the 15-minute daily average wait time was exceeded by test stations and imposed \$174,500 in liquidated damages in FY 2000.

IEPA reported that in calendar year 2000, motorists waited an average of 7 ½ minutes in line before the test was administered, or half the 15-minute average wait time limit in the contract. However, in early 2000, IEPA's test station monitoring personnel reported that the contractor was using improper procedures when manually entering wait time, which may have lowered wait time averages.

Vehicle emissions tests are videotaped and reviewed by the contractor when damage claims are filed by motorists. We received conflicting information from IEPA and the contractor about whether motorists can see the videotape of their test when they file a damage claim. Furthermore, Envirotec did not inform motorists that they can see their test's videotape.

WAIT TIME

State statute and IEPA's contract with Envirotec establish limits on the amount of time that motorists should have to wait in line to have their vehicles' emissions tested. According to statute, the usual wait time for motorists at an emissions testing station should not exceed 20 minutes; the statute does not define "usual": "*(ii) have sufficient inspection capacity at the stations so that the usual wait before the start of an inspection does not exceed 20 minutes.*" [emphasis added] (625 ILCS 5/13B-10)

IEPA's contract with Envirotec, however, does define wait time (see Exhibit 6-1) and limits it to no more than 15 minutes daily actual average wait time per vehicle. The contract allows four testing days in a calendar month that each test station can exceed the 15-minute average since certain days of the month, including the last day, are typically more busy. Some part-time stations that are open only eight days per month would have to meet the 15-minute average only half the days they are open since they can exceed the

15-minute average four days per month. IEPA imposes liquidated damages of \$2,500 per day for exceeding the daily average wait time limit.

In calendar year 2000, IEPA reported the average wait time for the 35 stations was 7½ minutes. The month with the lowest average wait time was May 2000 with 6 minutes and the month with the highest average wait time was November 2000 with 12 minutes. IEPA also reported the following for calendar year 2000:

- The average annual wait time for an individual test station ranged from a low of 3 minutes at Columbia to a high of 10.7 minutes at Chicago 114th Street.
- The average monthly wait time for an individual test station ranged from a low of 1.6 minutes at Columbia in January 2000 to a high of 24.5 minutes at Chicago 114th Street in November 2000.

Nearly all inspection facilities have an electronic sign outside their facility to inform motorists of the current average waiting time at the facility. This information is available on a central computer accessible to the IEPA. The daily current wait time for each test station is also available to motorists by calling a toll free 800-number Hotline.

| |
|---|
| Exhibit 6-1 |
| WAIT TIME DEFINITION |
| <u>Contract Section 4.4.2.2.1</u> |
| “Wait time is defined as the time period beginning when the vehicle arrives in queue and ends when the vehicle is driven into the inspection bay (under roof) to undergo the inspection procedure.” |
| Source: IEPA contract with Envirotest. |

CONTROLS OVER WAIT TIME

Since adherence to wait time and related procedures is subject to liquidated damages, effective controls are required to ensure that wait time recorded is accurate and reliable. Test stations use ticket dispensers which automatically print the time on the ticket taken by the motorist at the beginning of the queue. If the ticket dispenser is not working, the procedure is for contractor personnel to stand by the dispenser, issue tickets manually, and write the arrival time on the ticket. Motorists retain the ticket until it is their turn to be tested and then submit the ticket to the contractor’s lane inspector to scan the arrival time in the lane computer. An arrival time must be entered before beginning the emissions test to calculate wait time and to start the vehicle emissions test (see Exhibit 6-2).

| Exhibit 6-2 WAIT TIME PROCESS | |
|--|--|
| Automatic Process Ticket Dispenser Working | Manual Process Ticket Dispenser <u>Not</u> Working |
| 1. Motorist arrives at test station and takes ticket which has arrival time automatically stamped by the ticket dispenser. The ticket dispenser’s clock is connected to the computer to ensure one clock is used. | 1. Motorist arrives at test station and should be manually given ticket by contractor personnel with arrival time handwritten on ticket. |
| 2. Motorist gets in line for a test lane and waits for turn. | 2. Same as for Automatic Process. |
| 3. When it is motorist’s turn to be tested, contractor’s lane inspector takes ticket. | 3. Same as for Automatic Process. |
| 4. Lane inspector scans into computer the ticket which has arrival time printed on it. Arrival time is required to start the vehicle emissions test. | 4. Lane inspector types the arrival time that is handwritten on ticket or, if no time is written, types into computer an arrival time. |
| 5. Computer calculates the motorist’s wait time by comparing time scanned (printed on ticket) with the current time showing on the computer. | 5. Computer calculates the wait time by comparing manually entered arrival time with the current time showing on the computer. |
| 6. Individual wait times are used to calculate average wait time for the station. Each station is allowed 4 days a month when the average wait time can exceed 15 minutes after which IEPA imposes \$2,500 liquidated damages per day. | 6. Same as for Automatic Process. |
| Source: IEPA process summarized by the Office of the Auditor General. | |

Manually Recording Wait Time

IEPA learned from its Quality Assurance Auditors that correct procedures were not always being followed in early 2000. IEPA found the arrival time was not written on the ticket, or no ticket was issued to the motorist. In some instances, when it was the motorist’s turn to be tested, the lane inspector conducting the test would look at the time on his/her computer and write that as the time that the motorist arrived – regardless of how long the motorist had been waiting (e.g., wait time of more than two hours has been recorded) – this resulted in the wait time being less than one minute. Many of the observations were labeled by the Quality Assurance Auditors as “improper wait time entry” and later resulted in liquidated damages. IEPA has seven Quality Assurance Auditors who may visit test stations on average four to six times per month.

Tickets Issued Manually

Accurately measuring the amount of time that motorists wait in line before their vehicle is tested is required by the contract. IEPA’s data for calendar year 2000 showed that 92 percent of the wait time tickets were issued automatically while the remaining 8 percent were issued manually, including 3½ percent that were lost. According to Section 4.4.2.2.1 of the RFP [incorporated into the contract], 95 percent of the tickets should have accurate wait time:

The Contractor shall collect and record wait time data on all vehicles presented for testing and shall report hourly, daily average, and maximum Actual Average Wait Times to the Agency as required in Sections 4.5.8.1, 4.5.8.2, and 4.5.8.3. The wait time measurement system shall be designed and operated to collect and record accurate wait time data on at

least 95% of vehicles captured by the wait time measurement system or device.
[emphasis added]

IEPA program managers noted the above contractual provision does not prohibit manual wait time entries, it just requires an accurate recording of wait time. However, accurately recording manual wait time does not appear to be simple because it requires performing all the following steps correctly: (1) a contractor employee is needed to dispense tickets, (2) the contractor employee needs a watch or clock, (3) the watch/clock needs to be synchronized with the testing computer, (4) the correct time needs to be handwritten on the ticket, (5) the handwriting needs to be legible to the lane inspector who enters it in the computer, and (6) the lane inspector needs to enter the arrival time correctly into the computer. In addition, the contract has a provision which favors automation:

4.5.5.2 AUTOMATED SYSTEM REQUIRED. The contractor will provide an automated data collection system which will enable vehicle inspections to be performed with the minimum amount of manual data entry or intervention. [emphasis added]

Manual Wait Time Entries

During calendar year 2000, test stations manually entered wait time in the computer for 3 percent to 15 percent of the vehicles tested. Four test stations manually entered wait time in the computer for less than five percent of the vehicles tested in calendar year 2000. Conversely, some test stations recorded a high number of manual entries (see Exhibit 6-3):

- 5 stations manually entered the wait time for more than 10 percent of the vehicles tested in calendar year 2000.
- 1 station, Chicago 14th Place, manually entered the wait time for at least 10 percent of the vehicles tested every month during 2000; the highest month had 16 percent manual wait time entries.
- The station with the highest percent of manual entries for any single month in calendar year 2000 was Chicago Fillmore: 45 percent in March 2000. Conversely, the station with the lowest percent of manual entries for a single month was Aurora: 1 percent in February 2000.

| Exhibit 6-3 RANGE OF MANUAL WAIT TIME ENTRIES Calendar Year 2000 | |
|---|-----------------------|
| High | Manual Entries |
| Station 19 - Chicago 43 rd | 15.1% |
| Station 15 - Chicago Fillmore | 13.2% |
| Station 18 - Chicago 14 th | 12.7% |
| Station 6 - Palatine | 12.3% |
| Station 21 - Chicago 114 th | 11.3% |
| Low | |
| Station 25 - Aurora..... | 3.1% |
| Station 30 - Pontoon Beach..... | 3.2% |
| Station 29 - Wood River..... | 4.2% |
| Station 26 - Joliet | 4.9% |
| Source: IEPA. | |

During a June 7, 2001 meeting with us at which this matter was discussed, IEPA stated that factors such as equipment problems, weather, and vandalism caused high manual entries. After our meeting, program managers obtained data from the contractor that showed the ticket dispenser was not working 1,662 hours during the four months of

2000 (January-April) at the test stations in the Chicago area (which had the most manual wait time entries).

Agency personnel indicated a correlation between the high manual entries and the ticket dispenser not working: the more hours the ticket dispenser was not working, the more manual entries. IEPA provided data which showed that Fillmore station’s ticket dispenser was not working 48 hours during March 2000 and had 45 percent manual entries.

Since Fillmore was open 255 hours in March 2000, 48 hours would equate to the ticket dispenser not working 19 percent of the hours the station was open while the percent of vehicles for which wait time was manually entered was 45 percent. For the months before and after March 2000, there was even less correlation for Fillmore:

February 2000ticket dispenser down 2%18% manual entries
April 2000.....ticket dispenser down 4%22% manual entries

For some of the other Chicago test stations, the data showed the opposite – ticket dispenser being down a higher percent of hours than manual entries (e.g., April 2000 ticket dispenser down 36 percent at the Markham station but manual entries were 12 percent). The data also showed that at some test stations the ticket dispenser was not down at all during the month yet the station had manual entries:

March 2000 - Palatine ticket dispenser down 0%15% manual entries
April 2000 - Chicago 114th ticket dispenser down 0%11% manual entries
February 2000 - Chicago 43rd ticket dispenser down 0%10% manual entries

The contractor is assessed liquidated damages for exceeding the maximum wait time set by the contract or if its personnel use improper wait time procedures which were observed and reported by IEPA’s test station monitoring personnel. During FY 2000, IEPA imposed liquidated damages for these items as follows:

- \$174,500 in liquidated damages for 75 instances of exceeding the 15 minute wait time set by the contract (Violation Number 6.7.2.10.1).
- \$3,778 in liquidated damages for 197 improper wait time procedures observed and reported by IEPA’s test station monitoring personnel (Violation Number 6.7.2.2).

Action Taken

An IEPA program manager said test station monitoring personnel noted problems with manual wait time entry procedures in early 2000 and reported the problems in their monitoring reports. IEPA wrote a strongly worded letter dated April 25, 2000 to the contractor to correct procedures associated with manual time entries:

- “All improper use of wait time tickets and the entry of current PC [computer] time must be stopped immediately.”

- IEPA had “identified suspicious patterns of conduct regarding measurement of wait times.”
- “The high percentage of tests with manual entry of wait start time forces the Agency to conclude that the wait time measurement system is not being operated in accordance with contractual requirements.”
- “The high percentages and significant differences between manual and other observations (scanned, lost, estimated) clearly demonstrates what appears to be a pattern of abuse.”
- IEPA “observed that the ticket dispenser was not printing the time on the tickets, and no EII [Envirotest] personnel were stationed at the dispenser to write the current time on the ticket as is required by EII procedure.”
- IEPA said its evaluation of billing records showed “literally thousands of test records with ‘manual’ waits of 0 seconds and thousands of between 0-30 seconds – wait times that, in most cases, are physically impossible to obtain.”

The contractor replied with a letter dated May 12, 2000 which agreed with some errors and strongly disagreed with others:

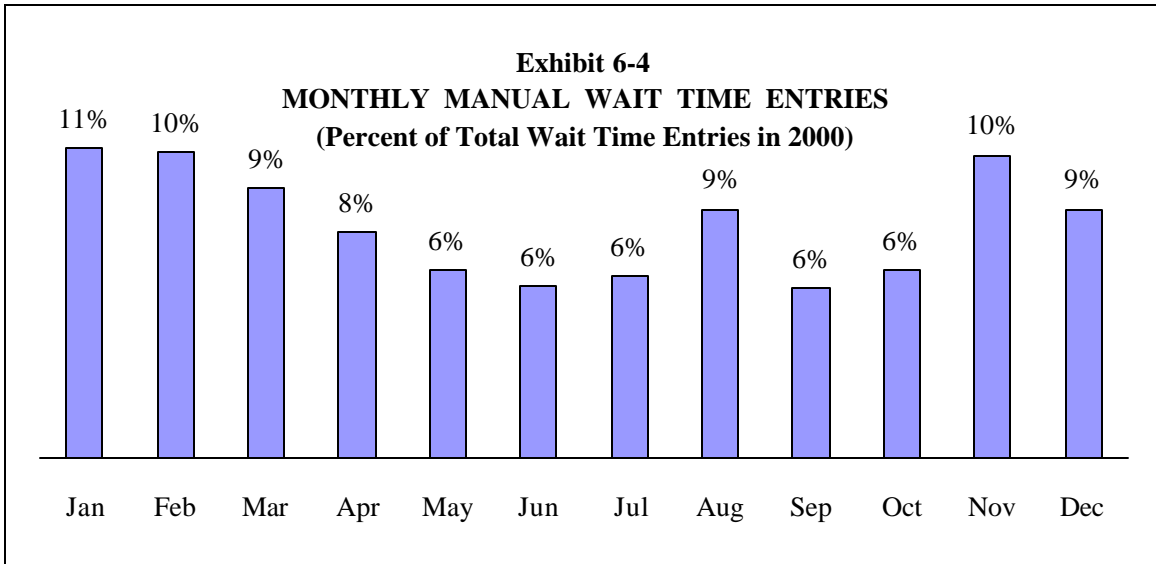
- “In some cases inspectors were inappropriately scanning blank tickets and estimating the entry time, or entering an incorrect time, none of which is proper. In still other cases we found the lost ticket method used where an estimated wait time is entered. This is not the correct procedure either. We believe the attached Action Plan offers a comprehensive and effective approach to ensure procedures will be followed in the future.”
- “While we continue to look into the matter, we were not able to prove that any incorrect entries were the result of anyone intentionally attempting to manipulate wait time reporting, as implied by your letter.”
- “There is no question that we need to do a better job at following procedures including rigorous training and enforcement of our procedures. However, we find the Agency’s suggestion of a ‘pattern of abuse’ and particularly comments questioning our integrity unfounded, objectionable and unacceptable.”

Two documents, titled Wait Time Action Plan and Wait Time Training Plan, were prepared by the contractor on May 12, 2000. The objectives of the Action Plan were to “1. Reduce the number of manual wait time entries. 2. Improve the quality of the data when entered manually” while the objective of the Training Plan was “To ensure proper entry of manual wait times in the testing lanes.” The Action Plan did not state that manual wait time entries of 0 to 30 seconds would not be counted; agency officials said that change was made in the computer program used to calculate wait time.

The outcome was that manual wait time entries between 0 and 30 seconds would not be counted in calculating the average wait time. This affected 17 percent of the wait time entries since 83 percent of manual wait time entries (64,208 out of 77,441) were above 30 seconds.

Wait time exceeding 30 seconds could still be manually entered, and some improper wait time procedures were identified by IEPA in June 2000, the month the changes took effect. Furthermore, one station (Chicago 14th Place) continued to have manual wait time entries of more than 10 percent in each month during calendar year 2000.

While there was a reduction in manual wait time entries after these changes for a few months, manual wait time entries started to increase again in late 2000 (see Exhibit 6-4).



Note: Slight variation in the height of the bars due to rounding.
Source: IEPA data analyzed by the Office of the Auditor General.

CONCLUSION

The wait time tickets that motorists take from the ticket dispenser, which have the arrival time stamped on them, are a control mechanism to ensure the correct wait time is entered (scanned) in the computer – which then calculates the average wait time. A manual process could bypass controls established to ensure wait time is recorded accurately and, as indicated above, the use of manual wait time entries began to increase in late 2000.

As part of the procedures, the contractor could be required to inform the State Inspector on duty when the automatic ticket dispenser stops working properly so State Inspectors can monitor the entire process more closely – from the contractor manually issuing wait time tickets with accurate arrival time handwritten on them to the contractor entering the correct arrival time into the computer. Furthermore, test stations that have a higher number of manual wait time entries could be subjected to computer data analysis and follow-up by IEPA to determine the cause and to correct any problems.

An accurate measure is important because State statute limits motorists’ wait time and the contract states that exceeding 15 minutes could result in liquidated damages of \$2,500 per day being imposed on the test station.

| WAIT TIME CONTROLS | |
|--|---|
| RECOMMENDATION NUMBER 8 | <p><i>The IEPA Division of Vehicle Inspection and Maintenance should ensure that manually entered wait time information is monitored more closely by its test station monitoring personnel to verify controls over motorist wait time are working effectively. Stations with high manual data entries should have their wait time entries closely analyzed to determine the cause and to correct any problems.</i></p> |
| IEPA RESPONSE | <p><u>Accepted.</u> Current monitoring procedures require the State Inspector to routinely inspect for the proper functioning of the ticket dispenser. If the ticket dispenser is not functioning properly, the State Inspector reviews the operations of the contractor to ensure that the proper procedure is being used to manually record wait times. IEPA analyses have shown that the IEPA actions were timely and sufficiently appropriate to ensure that the entry of manual wait times has not affected the accuracy of reported wait times which averaged 7.5 minutes in calendar year 2000.</p> <p>To enhance existing IEPA procedures in this area, the IEPA now requires the contractor notify the State Inspector when the ticket gate is not working properly and the contractor has switched to manually entering the wait times. We are adding the necessary procedures to the IEPA State Inspector’s operations manual to ensure that manually entered wait times are closely scrutinized and that instances causing high manual data entry are examined and corrected.</p> |

VIDEOTAPING

Video cameras are used to record the testing of vehicles’ emissions and service provided to customers. The surveillance cameras were required by the Request For Proposals (RFP) when the contract was bid. Agency officials said Envirotec has installed a video surveillance system at each test station which is capable of providing targeted monitoring and recording of inspection procedures at each inspection lane.

Video monitors located in the State Inspectors’ offices at the testing stations display six, 3-inch square pictures. The pictures in the video are small and their resolution is poor since the video system provides time lapse, non-constant video without sound (e.g., shaky movement, bright contrast and details such as vehicle license plate information not readable).

The system is used for making video recordings for evidence gathering and identification purposes to deter bribes to inspectors. An IEPA program manager said the video cameras met the RFP requirements and improvements to the quality of the video would cost approximately \$400,000. The program manager added that the video has been successfully used by State Police in a contractor employee prosecution.

Video Monitoring

The job description of State Inspectors states that they “*Review surveillance videotape to determine whether employees of the testing contractor utilize proper inspection procedures.*” As discussed earlier in the report, State Inspectors said their presence makes a significant difference on the vehicle test process. One State Inspector said that he has even noticed contractor personnel conduct a second safety inspection to be certain that the State Inspector observed this requirement. If the quality of the video does not already allow for observation of test procedures, an upgraded video system could be considered so that procedures can be clearly reviewed from the station office of State Inspectors or from a central office at IEPA.

Availability of Videotape

Videotapes are kept for 60 days and may be used by the contractor to review damage claims. IEPA considers the videotapes to be the property of Envirotest and the videotapes are used by Envirotest to see what transpired during tests involving damage claims.

We received conflicting information about whether motorists can view the videotape of their test when they file a damage claim. IEPA responded in our survey questionnaire and during a January 23, 2001 meeting (at which Envirotest officials were present) that the videotapes were generally not available to motorists. In addition, during an April 24, 2001 meeting the IEPA program manager indicated that Envirotest would make the videotapes available to motorists upon request.

After allowing them several months to fully implement the new procedures, we asked in July 2001 for the new procedures. In response to our follow-up, Envirotest claimed it had always made the videotape available to motorists upon request. However, Envirotest failed to provide the name of any motorist who had been shown a videotape of their test. We found no evidence in the 555 damage claims we reviewed of any motorist seeing their videotape, nor did we see evidence in Envirotest’s correspondence that any motorist had seen their videotape.

In three damage claims that we reviewed, the test station manager stated in the Station Investigation Report that there were some problems with videotaping:

1. On January 5, 2000 the test station manager wrote that the manager on duty failed to start the tape system until the afternoon, so no tape was made of the incident.

2. On March 1, 2000 the test station manager wrote that the videotape was not operating but did not say why.
3. On April 15, 2000 the test station manager wrote he was unable to view the tape so he could not determine if the employees involved needed training or disciplinary action. No other information was in the files on the reason why the videotape was not operating or not available.

IEPA’s test station monitoring personnel need to ensure that the videotapes are being made when they complete their daily monitoring reports. Even though the videotapes may be the property of the contractor, the contractor is performing a test using equipment required and paid by a State contract.

Some other states that use the I/M 240 test and videotape the tests (e.g., Colorado, Missouri, Wisconsin) make the video available to motorists partly to resolve damage claims or discourage frivolous claims. Illinois may be able to also use the videotapes for similar purposes if it shows motorists the tapes when they file damage claims. Motorists filing damage claims need to be informed that their emissions test was videotaped, that they can have full access to the videotape, that they can view the videotape, and that the videotape will be preserved while the damage claim is being processed.

| VIDEOTAPING | |
|--|---|
| RECOMMENDATION NUMBER 9 | <i>The IEPA Division of Vehicle Inspection and Maintenance should direct the contractor to inform motorists who file a damage claim that they may view a videotape of their vehicle’s emissions test.</i> |
| IEPA RESPONSE | <u>Accepted; partially implemented.</u> The contractor keeps a supply of videotapes adequate to capture 60 days of testing activity at all of the 35 testing stations. We currently provide owners with an opportunity to review a videotape, if they make such a request. However, we have implemented procedures to better inform the vehicle owners of their right to view the tapes. The contractor has revised correspondence advising motorists filing a damage claim that they can set up a time to view the videotape of their emission test. Motorists will be requested to make their request to view the tape within 60 days of the date their vehicle was tested. This time period allows the contractor to retrieve the appropriate tape so the testing images can be preserved for viewing. |

Chapter Seven

OTHER STATES

CHAPTER CONCLUSIONS

We contacted the 35 states known to have a vehicle emissions testing program in fiscal year 2000. A total of 29 states responded to our survey questionnaire, including Illinois and the District of Columbia.

Illinois was one of six responding states which uses the inspection and maintenance (I/M) 240 test to inspect vehicles' emissions. The I/M 240 is the most enhanced (comprehensive) test being used by the states, according to the U.S. EPA. Illinois requires vehicles' emissions to be tested at stations that have been specially constructed for emissions testing only. This type of testing network is known as "centralized" and is used by 13 states, including Illinois, who responded to our survey. States with centralized networks used a contractor (primarily Envirotest), except for Delaware, District of Columbia, and Oregon which operated their own program.

Another 13 responding states had a "decentralized" network in which vehicles were tested at private garages. The remaining three states had a "hybrid" network which combined the features of centralized and decentralized testing networks.

Several states were making some changes to their vehicle emissions testing programs. Missouri, which uses the I/M 240 test, indicated in our survey it is also using remote sensing to test 30 percent of the vehicles as the vehicle drives by a sensor on a highway ramp, rather than requiring the vehicle be taken to a central test station. Colorado, which also uses the I/M 240 test, is adding remote sensing. Oregon, which uses the enhanced BAR 31 test, will be adding remote sensing. Florida, which used the basic idle test, eliminated its vehicle emissions testing program in 2000 after its air quality met federal standards. Many states were planning to use On-Board Diagnostic testing (OBD II) to inspect the emissions of vehicles manufactured in 1996 or later.

ENHANCED TESTING

We conducted a mail survey of the 35 states known to have a vehicle emissions testing program in fiscal year 2000. A total of 29 states responded to our survey, including Illinois and the District of Columbia (for simplification, when referring to the number of states who responded to our survey questionnaire, we have included the District of Columbia).

Illinois is one of six responding states which uses the inspection and maintenance (I/M) 240 test to inspect vehicles' emissions according to the results of our survey (see Exhibit 7-1). The I/M 240 is the most enhanced (comprehensive) test being used by the states according to the U.S. EPA. The test measures emissions at different speeds as the vehicle accelerates, decelerates, cruises, and idles. The test places the two front wheels (or the two rear wheels for rear-wheel-drive vehicles) on a dynamometer which operates similar to a treadmill for vehicles.

States have been making some changes recently in their vehicle emissions testing programs, in part due to newer vehicles polluting less:

- Missouri, which uses the I/M 240 tests, said in our survey they are using the remote sensing to test 30 percent of the vehicles as vehicles drive by a sensor on a highway ramp, rather than have the vehicles drive to a central test station.
- Colorado, which uses the I/M 240 test, said in our survey they are adding remote sensing.
- Oregon, which uses the BAR 31 enhanced test, is planning to use remote sensing in the future.
- States were planning to use On-Board Diagnostic testing (OBD II) to conform with U.S. EPA regulations effective in January 2002. This test will inspect the emissions of vehicles manufactured in 1996 and later using the vehicle's On-Board Diagnostic system. For example, Wisconsin is now using OBD to test 30 percent of vehicles.
- Florida, which used the idle test, eliminated its vehicle emissions testing program in 2000 after its air quality met federal standards, in part because newer vehicles pollute less and because it considers controls over stationary sources to be more effective.

| Exhibit 7-1 PRIMARY TEST USED BY STATES* FY 2000 |
|--|
| <p>According to Region 5 of the U.S. EPA, Mass Emission Transient Tests are considered the most effective. Region 5 officials provided a <u>generalized</u> ranking of the effectiveness of various tests because program variations can affect the effectiveness of tests (model years covered, cutpoints, waivers, etc.):</p> <p>MASS EMISSION TRANSIENT TEST:</p> <ul style="list-style-type: none"> ▪ I/M 240: Colorado, District of Columbia, ILLINOIS, Maryland, Missouri, and Wisconsin ▪ I/M 93: Indiana ▪ I/M 147: Arizona ▪ MA 31: Massachusetts ▪ NYTEST: New York ▪ BAR 31: Oregon and Rhode Island <p>CONCENTRATION BASED LOADED TEST:</p> <ul style="list-style-type: none"> ▪ ASM 25/25: California, Georgia, Utah (Salt Lake City), and Washington ▪ ASM 50/15: New Jersey ▪ ASM2: Virginia ▪ Remote Sensing: none <p>CONCENTRATION BASED UNLOADED (IDLE) TEST:</p> <ul style="list-style-type: none"> ▪ Idle-TSI Pressure: Alaska, Delaware, Florida**, Kentucky (Frankfurt), Nevada, New Mexico, North Carolina, Ohio, Tennessee, Texas, Utah (Ogden, Spanish Fork) ▪ Hybrid TS Loaded: Kentucky (Louisville) <p>Maine uses an On-Board Diagnostic test, gas cap test, and a visual exam. According to the U.S. EPA, OBD is the most reliable test for vehicles manufactured since 1996.</p> |
| <p>NOTES:</p> <p>* Since a state may use a variety of tests, they are listed under the most comprehensive test to the extent possible.</p> <p>**Florida discontinued vehicle emissions testing in summer 2000.</p> |
| <p>Source: Illinois Auditor General's survey of states and U.S. EPA.</p> |

Chicago’s air quality also met federal air quality standards in summer 2000 but needs to do so for three consecutive years to be in attainment. The East St. Louis area has not met air quality standards.

NETWORK

Illinois requires vehicles’ emissions to be tested at stations that have been constructed specially for emissions testing. This type of network is known as a centralized network and it only tests vehicles’ emissions and does not repair vehicles. Another 12 states responding to our survey use a centralized network (see Exhibit 7-2).

At the other end of the spectrum is the decentralized network (also known as a “test and repair” network) where motorists take their vehicles to private garages which have the test equipment – many of these states perform the basic idle tailpipe test. Thirteen states responding to our survey used a decentralized network.

The third type of network is a hybrid – which is a combination of the centralized and decentralized networks. Three states responding to our survey use a hybrid network.

In our survey, states with a centralized or hybrid network were generally operated by a contractor. The most used contractor was Environmental Systems Products, or its subsidiaries (e.g., Envirotest):

- ESP (or its subsidiaries) was the contractor for 10 states, including 5 states using the I/M 240 test that provided this data.
- Gordon-Darby Inc. was the contractor for 3 states.

| Exhibit 7-2 STATES’ NETWORKS AND CONTRACTORS FY 2000 | |
|---|----------------------------------|
| Centralized | Contractor |
| 1. Arizona | Gordon-Darby, Inc. |
| 2. Delaware | <i>None – State operated</i> |
| 3. District of Columbia | <i>None – City operated</i> |
| 4. ILLINOIS | ENVIROTEST ILLINOIS, INC. |
| 5. Indiana | Envirotest Systems Corp. |
| 6. Kentucky –Frankfurt | Envirotest Systems Corp. |
| | Kentucky–Louisville |
| | Gordon-Darby, Inc. |
| 7. Maryland | Environmental Systems Products |
| 8. Missouri | ESP Missouri |
| 9. Ohio | Environmental Systems Products |
| 10. Oregon | <i>None – State operated</i> |
| 11. Tennessee | Envirotest Systems Corp. |
| 12. Washington | Envirotest Systems Corp. |
| 13. Wisconsin | Envirotest Wisconsin, Inc. |
| Hybrid | |
| 1. Colorado | Envirotest Systems Corp. |
| 2. Florida* | Gordon-Darby, Inc. |
| 3. New Jersey | Parsons |
| Decentralized | |
| 1. Alaska | Not Applicable |
| 2. California | Not Applicable |
| 3. Georgia | Not Applicable |
| 4. Maine | Not Applicable |
| 5. Massachusetts | Not Applicable |
| 6. Nevada | Not Applicable |
| 7. New Mexico | Not Applicable |
| 8. New York | Not Applicable |
| 9. North Carolina | Not Applicable |
| 10. Rhode Island | Keating Technologies |
| 11. Texas | Not Applicable |
| 12. Utah – Ogden | Not Applicable |
| | Utah – Salt Lake City |
| | Utah – Spanish Fork |
| | Not Applicable |
| 13. Virginia | Not Applicable |
| Bolded states use the I/M 240 test. | |
| *Florida discontinued vehicle emissions testing in summer 2000. | |

- Keating Technologies was the contractor for 1 state.
- Parsons was the contractor for 1 state.

Kentucky was the only state in our survey that reported having different contractors in the two regions where it conducts vehicle emissions tests: Gordon-Darby in Louisville and Envirotec in Frankfurt.

The test facilities and equipment were often owned by the contractor, except in five states which own their test facilities and equipment:

- District of Columbia, Delaware, and Oregon – which operate their own programs and, therefore, own their facilities and equipment.
- Maryland – whose contractor is ESP, the parent company of Envirotec Illinois.
- New Jersey – whose contractor is Parsons.

Illinois facilities are owned by the contractor which was paid \$48 million in federal Congestion Mitigation and Air Quality funds to construct the testing facilities.

MODEL YEARS TESTED

Illinois' vehicle emissions testing program inspects the emissions of vehicles that were manufactured since 1968. Seven states responding to our survey said that 1968 was the oldest model year tested (see Exhibit 7-3).

Illinois exempts new vehicles during their first four years from the vehicle emissions testing program. Vehicles manufactured from 1968 to 1980 are subject to the basic idle tailpipe test while vehicles manufactured in 1981 or later are subject to the I/M 240 test.

In comparison, other states responding to our survey typically exempt vehicles during their first two model years, however, the range of vehicles exempted is 0 to 5 years old. For states using the I/M test, the range of vehicles exempted is 1 to 4 years old.

TESTING FEES

Illinois does not charge motorists a fee to have their vehicles tested. In our survey, 3 of the 6 states using the I/M 240 test said they charged a fee to motorists (District of Columbia did not provide this data).

However, 22 states in our survey stated that they charge motorists a fee, including our border states of Kentucky (\$11.00 to \$20.00) and Missouri (\$10.50 to \$24.00). The range of motorist fees across states was from a low of \$6.00 by Tennessee for an idle test (and Maine for an OBD test) to a high of \$47.00 by Rhode Island for a BAR 31 enhanced test.

While Illinois did not charge motorists a testing fee, it used \$30 million in FY 2000 from the motor fuel tax paid by motorists and \$25 million in federal funds. The only other state in our survey that said it received federal funds was New Jersey. Nearly all the other states paid for the program with fees, such as motorist fees, registration fees, compliance certificate fees, and license registration fees. Only three states in our survey identified a source of funds that was different from fees: Delaware (appropriations – since program is operated by the state; amount not specified), Illinois (Motor Fuel Tax, \$30 million per year), and Indiana (General Revenue, amount unspecified).

In FY 2000, Illinois’ vehicle emissions testing program expended \$52,260,481 (includes Secretary of State) and conducted 1,725,106 tests, which approximates to \$30.29 per test. In our survey, states with the I/M 240 test provided information which was used to calculate their cost per test: Colorado \$29.65, Missouri \$24.00, Maryland \$19.17, and Wisconsin \$14.21 (see Exhibit 7-4). It should be noted that differences in states’ vehicle emissions testing programs (such as number of monitoring personnel,

| Exhibit 7-3 MODEL YEARS TESTED FY 2000 | | |
|--|--------------------------|------------------------------|
| State | Oldest Model Year Tested | Exempted Model Years |
| 1. Arizona | 1967 | 4 |
| 2. Alaska | 1968 | 2 |
| 3. Delaware | 1968 | 5 |
| 4. ILLINOIS | 1968 | 4 |
| 5. Kentucky | 1968 | None |
| 6. Nevada | 1968 | 2 |
| 7. Utah | 1968 | 1 |
| 8. Wisconsin | 1968 | 1 |
| 9. Missouri | 1971 | 2 |
| 10. California | 1973 | 4 |
| 11. Florida* | 1975 | 1 st registration |
| 12. New Mexico | 1975 | 2 |
| 13. New York | 1975 | 2 |
| 14. North Carolina | 1975 | Current year |
| 15. Ohio | 1975 | 2 |
| 16. Oregon | 1975 | 2 |
| 17. Tennessee | 1975 | 1 |
| 18. Indiana | 1976 | 4 |
| 19. Texas | 1976 | 2 |
| 20. Washington | 1976 | 4 |
| 21. Georgia | Past 25 years | 3 |
| 22. Virginia | Past 25 years | 2 |
| 23. Maryland | 1977 | 2 |
| 24. Massachusetts | 1984 | 2 |
| 25. Colorado | n/a | 4 |
| 26. District of Columbia | n/a | n/a |
| 27. Maine | n/a | ** |
| 28. New Jersey | n/a | None |
| 29. Rhode Island | n/a | 2 |

Bolded states use the I/M 240 test.
n/a = Not available or not applicable.
*Discontinued all emissions testing in summer 2000. Florida used to exempt new vehicles who were first registered.
** Vehicles driven less than 1,000 miles.

Source: Illinois Auditor General’s survey of

method of enforcement, etc.) and how the surveyed states reported costs (e.g., some indirect costs may not have been reported) may affect the cost per test reported by the states.

| Exhibit 7-4 COST OF VEHICLE EMISSIONS TESTING FY 2000 | | | | |
|--|------------------------|---------------------|-------------------------------|---------------------|
| <ul style="list-style-type: none"> All five states below use the I/M 240 test which is performed by ESP or its subsidiaries (e.g., Envirotest). District of Columbia, which also uses the I/M 240 test, did not provide cost data. The cost of the vehicle emissions testing programs reported by states may differ due to the program structure and costs reported. | | | | |
| State | Motorist Cost per Test | State Cost per Test | Administrative Cost per Test* | Total Cost per Test |
| Colorado | \$24.25 | \$0 | \$5.40 | \$29.65 |
| ILLINOIS | \$0 | \$24.52 | \$5.77 | \$30.29 |
| Maryland** | ** | \$15.00 | \$4.17 | \$19.17 |
| Missouri | \$24.00 | \$0 | *** | \$24.00 |
| Wisconsin | \$0 | \$0 | \$14.21 | \$14.21 |
| <p>NOTES:</p> <p>* Colorado's administrative cost per test ranged from \$4.90 to \$5.40. Illinois' administrative cost was \$9,960,702 for 1,725,106 tests which equals \$5.77 per test. Wisconsin expended \$10,797,097 for 759,679 tests which equals \$14.21 per test.</p> <p>** Maryland's program cost was \$18 million per year for operations (or \$15 per test) and \$5 million per year for administration (or \$4.17 per test) based on 1.2 million tests. Maryland's motorist cost per test of \$12.00 increased to \$14.00 on November 2, 2000.</p> <p>*** Missouri's \$24.00 fee paid by motorists for the I/M 240 test <u>includes</u> \$2.50 for administration.</p> | | | | |
| Source: Illinois Auditor General's survey of states. | | | | |

IEPA program managers stated they are concerned about funding for the vehicle emissions testing program after their three year allocation of federal Congestion Mitigation and Air Quality program funds is complete. They have been allocated \$25 million per year in CMAQ funds through the Illinois Department of Transportation for the first three years of the program.

BEST PRACTICES

A number of states offered comments about their programs which may be useful to other states. These comments on best practices included helping motorists retire polluting vehicles, conducting surveys, allowing motorists to sit in their vehicles during testing, charging lower test fees for long wait times, registering vehicles at the test stations, and having a mechanic at the station to help failing motorists. Illinois may be able to consider the suggestions of other states for possible inclusion in its program.

California

- Provide repair assistance to motorists whose vehicles require repairs. Vehicle retirement program offers \$1,000 to motorists whose vehicles do not pass the smog check inspections and who do not want to make repairs.
- Incorporate a liquid fuel leak inspection.

Florida

- Surveyed 2,100 motorists randomly each year.

Georgia

- A solid commitment to public education and outreach – \$7 million spent on public education efforts over the past four to five years.

Illinois

- The program’s Internet site is very popular and is updated frequently.
- We have done a great deal of outreach with the repair industry, including educational seminars, open houses, informative newsletters, and promotion of training.”
- The Repair Effectiveness Index provides a helpful tool to the repair facilities in repairing vehicles.
- Adjusted program to address the concerns of motorists (i.e., asking the driver if they want to remain in the vehicle during the test, and providing an educational video in the waiting booths).
- The contractor routinely provides incentives for their employees.

Indiana

- Free gas cap provided for missing or failing gas cap test.
- State uses shorter test (I/M 93) with lower speeds and reduced noise.

Maryland

- Post a mission statement at all facilities.

Missouri

- The law allows for a reduction of the emissions testing fee if the wait time exceeds certain times.
- RapidScreen technology [remote sensing] allows almost 30% of the vehicles to be tested on the road, eliminating the need to visit a test station.
- All stations are open 66 hours per week: 7-7 Monday through Friday and 7-1 on Saturday.
- Good video camera coverage is useful to oversee staff and resolve disputes.

Nevada

- Registrations of vehicles can be renewed at test stations to save time for motorists. The emission database is connected to the Nevada vehicle registration database, which makes the registration renewals at emission stations possible.

Ohio

- Open houses; a repair technician newsletter, seminars for repair technicians.
- One thing that might be useful for states is an independent survey conducted to assess public opinion about the test. This may give a better picture of the public’s perception of the test than just hearing from the people complaining about the test.

Tennessee

- Staff mechanic is available to assist the public with free diagnostic assistance which has probably been most beneficial. This ensures the appropriate repairs are made and saves the public money which they seem to really appreciate.

Virginia

- Audit staff are generally from the automotive field and are, therefore, familiar with automotive issues, shop practices, etc. They have an exceptional level of expertise specifically geared to automotive issues.
- Established an excellent web site.

Washington

- Program has always emphasized quickly assisting repair technicians with the proper diagnosis and repair of vehicles that fail the test.

Wisconsin

- Federally funded repair studies.

Chapter Eight

OTHER ISSUES

CHAPTER CONCLUSIONS

Illinois allows vehicles to be exempted from an emissions test if motorists certify the vehicle is no longer used within the emissions test area, has been junked, or has been sold. The Illinois Environmental Protection Agency has not verified whether these self-certifications were valid but indicated it will be doing so in the future.

Illinois has established a method of enforcing the requirements of the vehicle emissions testing program that is known as “computer-matching.” This method identifies non-compliance by matching vehicle registrations with vehicles whose emissions have not been tested. Vehicle owners who fail to comply with the vehicle emissions testing program first have their driver’s license suspended, followed by a suspension of the vehicle registrations.

In our survey, 25 of 29 states who responded said they use a different method called “registration denial” which requires vehicles to comply with the emissions testing program before their license plate registrations can be renewed.

Illinois was the only state responding to our survey that suspends the driver’s license of a vehicle owner for not having the vehicle’s emissions tested. Illinois suspends the driver’s license of the vehicle owner 8 months after the test month and suspends vehicle registration 10 months after the test month. Therefore, polluting vehicles could be legally driven by someone other than the vehicle’s owner for two more months. In a registration denial system, vehicles can not be legally driven without complying with the program.

Illinois’ enforcement method resulted in approximately 2.25 million reminders and warnings to motorists in FY 2000. IEPA and the Secretary of State’s Office may wish to conduct a cost-benefit evaluation of its computer-matching enforcement program to determine if it would be cost-effective to use a registration denial system which may reduce reminder and warning notices.

CERTIFICATION AND EXEMPTION FROM TEST

Illinois allows motorists to exclude their vehicles from a vehicle emissions test if they sign a certification that their vehicle is junked, sold, or not used in the test area. This provision exists in part for students who may be away at college (their test may be re-scheduled to the summer). The model year of these excluded vehicles was not available

to determine if owners of older vehicles might be excluding themselves more often. IEPA officials said the information on these vehicles is on paper (postcard returned by the motorists) and is not in an electronic format.

In our survey, 18 of 29 responding states exempted vehicles driven outside the test area. Illinois asks motorists seeking to sign and return a postcard which says “*I hereby certify that the changes provided are true and correct to the best of my knowledge and belief.*” Some of the responding states said they used documents such as affidavits before exempting vehicles from the vehicle emissions test [bolded states use the I/M 240 test]:

| <u>STATE</u> | <u>VERIFICATION</u> |
|--------------------------|---|
| Arizona..... | Law enforcement |
| Florida* | EPA exemption documentation, proof of other state exemption |
| Georgia..... | Mileage and age verifications for seniors, proof of military and school documentation |
| ILLINOIS | SIGNED CERTIFICATION |
| Indiana..... | Alternate Fuels – inspected. Out of area – post mark checked |
| Kentucky-Frankfurt | Affidavit, registration database analysis, parking lot checks |
| Kentucky-Louisville.... | Investigations, vehicle record status tracking, covert audits |
| Missouri | Signed affidavit |
| Nevada..... | Affidavit review; random observations by enforcement personnel |
| New Mexico | Vehicle Identification Number verification |
| Ohio..... | Military orders, enrollment information from school official, post mark checked |
| Rhode Island..... | Documentation |
| Tennessee..... | Insurance documents, other documents – utility bill, transcripts |
| Texas | Affidavit |
| Utah-Ogden..... | Traffic stops, annual registration, out of state exemption tracking |
| Utah-Salt Lake City | Monitor and analyze documents required for registration |
| Virginia..... | Signed application, site visits, other vehicle inspection, other documentation |
| Wisconsin | Program staff contact motorist at current location |

*Florida discontinued its vehicle emissions testing program on July 1, 2000.

IEPA does not independently verify a motorist’s assertion that the vehicle is junked or used outside the test area. Verification of motorists’ self-certifications from the test is required by federal regulations which call for a quality assurance program to inspect and confirm exemptions by using methods that provide an audit trail:

A quality assurance program shall be implemented * * * [and] shall include: (1) Verification of exempt vehicle status by inspecting and confirming such vehicles by the program or its delegate * * * (3) Maintenance of an audit trail to allow for the assessment of enforcement effectiveness. [emphasis added] (40 CFR Ch. 1 Subpart S 51.362 (a))

Lack of verification may create the opportunity for motorists to falsely exclude their vehicle. For example, vehicle owners who believe their vehicles are unlikely to pass the test (and may need to incur significant repair cost to bring the vehicle into compliance) might be tempted to exclude themselves, particularly if there is no verification.

IEPA officials stated they will be taking steps to implement this federal regulation by employing techniques such as sampling exempt vehicles to verify their status.

ENFORCEMENT

Federal regulations identify different types of enforcement programs that include “registration denial” and “computer-matching.” In our survey, 25 of 29 responding states used the registration denial method, which does not permit the renewal of vehicle license plate registration unless the vehicle has complied with the emissions testing requirements:

Registration denial enforcement is defined as rejecting an application for initial registration or reregistration of a used vehicle * * * unless the vehicle has complied with the I/M requirement prior to granting the application. [emphasis added] (40 CFR Ch. 1 Subpart S 51.361 (a))

Illinois uses the enforcement program called computer-matching to notify vehicle owners that their vehicle’s emissions have not been tested: *“The Agency [IEPA] shall cooperate in the enforcement of this Chapter by (i) identifying probable violations through computer matching of vehicle registration records and inspection records.”* [emphasis added] (625 ILCS 5/13B-55)

The Request For Proposal for the present contract describes the Illinois program in Section 1.3.1: *“The Illinois Program utilizes a computer-matching based notification and enforcement system, in which noncomplying owner(s) face suspension of their driver’s license(s) and/or vehicle registration(s).”* The RFP goes on to explain the program:

1.4.5 VEHICLE SCHEDULING, NOTIFICATION AND ENFORCEMENT

Unlike most states, the Illinois Program does not enforce its emissions testing requirement through vehicle registration denial, nor schedule vehicles for testing based upon vehicle registration renewal dates or deadlines. Instead, the Illinois Program relies upon Agency [IEPA] issued assigned test dates and compliance deadlines which trigger the issuance of warning notices from driving privileges and/or vehicle registration. The Illinois Program will continue to use this existing computer matching system to enforce compliance. [emphasis added]

IEPA and the Secretary of State have established enforcement procedures to assign the test dates and effect compliance with the vehicle emissions testing program. Vehicle owners are sent an initial notice and up to five additional notices to remind and warn them to have their vehicle’s emissions tested (discussed in Chapter Two). If a vehicle has not been tested within 8 months after the assigned test month, the driver’s license of the vehicle owner(s) is suspended; if a vehicle has not been tested within 10 months after the assigned test month, the license plate registration of the vehicle is suspended.

Although Illinois sends up to five additional reminder and warning notices, the statute and administrative rules governing the program call for only one warning notice. In fact, a second warning notice in the administrative rules (Section 276.904) was repealed effective June 14, 1996. The statute and administrative rules at 35 Ill. Adm. Code 276.903 currently state the following:

STATUTE – 625 ILCS 5/13B-55

(ii) sending one notice to each suspected violator identified through such matching, stating that registration and inspection records indicate that the vehicle owner has not complied with this Chapter. [emphasis added]

RULES – Section 276.903 Warning Notice

If a vehicle has not complied with the provisions of the Vehicle Emissions Inspection Law of 1995 within two months before the sticker or certificate expiration date, the Agency shall send a Warning Notice to the vehicle's owner at the registration address currently on file with the Agency. [emphasis added]

Selection of Computer-Matching

IEPA officials stated that a computer-matching enforcement method was selected because a registration denial system was not feasible since vehicle license plate registrations vary each month and that could affect the capacity of test stations. While a registration denial system may not have seemed feasible when the enforcement program was being designed, information in this audit indicates a registration denial system may be worth considering to reduce cost. Under the present system, vehicles can be tested for up to 10 months after their assigned test month; therefore, the number of tests per month is not a constant. In calendar year 2000, the number of tests at the 35 test stations ranged from a low of 111,885 (December 2000) to a high of 172,182 (March 2000) – a spread of 54 percent.

Test Notices

A total of 2,434,215 vehicle owners were sent an initial notice to have their vehicles' emissions tested in FY 2000 (see Exhibit 8-1). One-fourth of the vehicles did not comply by having the emissions test and vehicle owners were sent reminder notices two months after their assigned test month. Non-complying vehicle owners received a third notice which warned them to have their vehicles tested (708,125 notices). Vehicle owners who still did not comply received a fourth notice to have their vehicles' emissions tested – more than one-half million vehicle owners were mailed this second warning (504,094 notices).

Vehicle owners who continued not to comply were sent a fifth notice stating that their driver's license would be suspended if they did not have their vehicles tested – more than a quarter million vehicle owners were sent drivers' license suspension notices (253,333). The sixth and final notice was sent nine months after the assigned test month and warned vehicle owners that the State would suspend their license plates (167,864).

| Exhibit 8-1 ENFORCEMENT PROGRAM NOTICES FY 2000 | | | |
|---|--|----------------|----------------|
| | TIMELINE | NOTICES | PERCENT |
| 1. Initial Test Notices | 1 month before assigned test month | 2,434,215 | 100% |
| 2. Reminder Test Notice (vehicles not complying)** | 2 months after assigned test month | 620,252 | 25% |
| 3. 1 st Warning Notices | 4 months after assigned test month | *708,125 | * |
| 4. 2 nd Warning Notices | 5 months after assigned test month | *504,094 | * |
| 5. Driver’s License Suspension Notices | 6 months after assigned test month | *253,333 | * |
| <i>Driver’s Licenses Suspended</i> | <i>8 months after assigned test month</i> | <i>n/a</i> | * |
| 6. Vehicle Registration Suspension Notices | 9 months after assigned test month | 167,864 | 7% |
| <i>Vehicle Registration Suspended</i> | <i>10 months after assigned test month</i> | <i>164,269</i> | <i>7%</i> |
| NOTES: | | | |
| * A separate notice is sent to each joint owner making the number of notices greater than the number of vehicles. This also prevents calculating the percent of vehicles that were sent an initial test notice but were not tested. | | | |
| ** Sent to Secretary of State’s Auto Emissions unit for enforcement. | | | |
| Source: Secretary of State’s Office and IEPA. | | | |

The Secretary of State’s Office does not track the number of driver’s licenses suspended for not complying with the vehicle emissions testing program. When a motorist brings the vehicle into compliance, the driver’s license suspension is cleared and purged from the Auto Emissions database after 60 days or more. Historical data is not kept to evaluate the effectiveness of driver’s license suspensions as a technique for enforcing compliance with the program. Data is, however, kept on suspensions of vehicle registrations (license plates). For example, only 2 percent (3,595) of the vehicle owners facing suspension of their license plates had the emissions test – the remaining 98 percent (164,269) did not have their vehicles’ emissions tested and their license plates were suspended.

Compliance with Program

Federal regulations require a computer-matching program, like Illinois, to have an enforcement mechanism that will swiftly and effectively prevent non-complying vehicles from operating, ensure that 90 percent of vehicles subject to this program comply within four months, and require that non-complying vehicles be subject to fines. IEPA program managers said they did not impose fines as required by federal regulations.

* * * computer-matching programs shall demonstrate that the enforcement mechanism will swiftly and effectively prevent operation of subject vehicles that fail to comply. Such demonstration shall: (i) require an expeditious system that results in at least 90% of the subject vehicles in compliance within 4 months of the compliance deadline * * * (iii) Require that motorists pay monetary fines at least as great as the estimated cost of compliance with I/M requirements (e.g., test fee plus minimum waiver expenditure) * * * (viii) Track the number and percentage of vehicles initially identified as requiring testing but which are never tested as a result of being junked, sold to a motorist in a non-I/M program area, or for some other reason. [emphasis added] (40 CFR Ch. 1 Subpart S 51.361 (b) (3))

IEPA administrative rules define the assigned test month to mean “*the month and year allocated by the Agency for testing a vehicle. The first day of the Assigned Test Month shall be 4 months prior to the sticker or certificate Expiration Date.*” (35 Ill. Adm. Code 276 Section 102(b)). Providing a notice four months before the vehicle emissions certificate expires

may be too long and result in motorists putting away their notice thinking they have sufficient time and then forgetting about the test. As shown in Exhibit 8-1, more than 200,000 vehicle owners tested their vehicles between the fourth and fifth months and another 250,000 vehicle owners tested their vehicles between the fifth and sixth months after receiving additional notices.

Other States

In our survey, 25 of the 29 responding states said they use the enforcement system known as registration denial (see Exhibit 8-2). A registration denial system requires vehicles to comply with the program (e.g., pass the emissions test, get a waiver) to have their license plate registrations renewed. Vehicle owners frequently are informed of the testing requirement with their license plate renewal notice and places where motorists can renew their registrations are online to ensure the motorist has complied with the program.

Illinois allows vehicles (including vehicles that could be exceeding emissions standards) to be legally driven for up to 10 months after the assigned test month before their license plates are suspended and they are taken off the road.

| Exhibit 8-2 PENALTY FOR NOT COMPLYING | | | | |
|--|---------------------|-------------------------|--------------------|----------------------------|
| State | Registration Denial | Registration Suspension | License Suspension | Other |
| 1. Colorado | ✓ | | | |
| 2. D.C. | ✓ | | | |
| 3. ILLINOIS | | ✓ | ✓ | |
| 4. Maryland | ✓ | ✓ | | Late fee |
| 5. Missouri | ✓ | | | |
| 6. Wisconsin | ✓ | | | |
| 7. Alaska | ✓ | | | |
| 8. Arizona | ✓ | | | |
| 9. California | ✓ | | | |
| 10. Delaware | ✓ | | | |
| 11. Florida* | ✓ | | | |
| 12. Georgia | ✓ | | | Late fee |
| 13. Indiana | ✓ | | | |
| 14. Kentucky-Frankfurt | ✓ | ✓ | | |
| Kentucky-Louisville | | ✓ | | |
| 15. Maine | | | | Safety sticker denial |
| 16. Massachusetts | | ✓ | | Police citation |
| 17. Nevada | ✓ | | | |
| 18. New Jersey | | | | Monetary fine |
| 19. New Mexico | ✓ | | | |
| 20. New York | ✓ | | | Police citation |
| 21. North Carolina | ✓ | | | |
| 22. Ohio | ✓ | | | |
| 23. Oregon | ✓ | | | |
| 24. Rhode Island | ✓ | ✓ | | |
| 25. Tennessee | ✓ | | | |
| 26. Texas | ✓ | | | Police citation |
| 27. Utah - Spanish Fork | ✓ | | | |
| Utah - Ogden | ✓ | | | Impound for expired plates |
| Utah - Salt Lake City | ✓ | | | |
| 28. Virginia | ✓ | | | |
| 29. Washington | ✓ | | | |

Bolded states use the I/M 240 test.

*Florida discontinued its vehicle emissions testing program on July 1, 2000

The statute does not preclude a vehicle owner from renewing the license plate registration prior to suspension and get a sticker valid for another year during the enforcement process. This could make non-compliance less visible since a vehicle with an expired sticker is more likely to be noticed and stopped by police than a vehicle with a valid sticker.

Cost of Current Enforcement

Illinois’ enforcement program may have a higher cost than a registration denial system. This is because in addition to the initial test notice, up to five reminder and warning notices are issued; in FY 2000 reminder and warning notices totaled 2.25 million. A registration denial system may also be less costly because test notices could be mailed with license plate renewal notices instead of being mailed separately.

Illinois has three separate units that send the 4.7 million initial notices, reminders, and warnings. These three units need to use four different databases for the computer-matching enforcement program:

- Secretary of State – Vehicle Services Department: Registration and Title Database
- IEPA\Envirotest – Vehicle Emissions Testing Program Database
- Secretary of State – Driver Services Department: Auto Emissions Enforcement Database
- Secretary of State – Driver Services Department: Driver’s License Database

According to the Secretary of State’s Office, the cost of the units’ enforcement function at the Secretary of State was approximately \$1.75 million in FY 2000. The cost of the unit at the IEPA, which has 20 employees, was not available, although their estimated payroll exceeded \$500,000 in FY 2000.

Given that Illinois’ enforcement structure (“computer-matching”) is different than other states, that it takes Illinois more time to effect enforcement (10 months), that not all the vehicles may be complying with the program, that Illinois has to use four different databases, and that Illinois’ structure probably costs more (approximate total cost \$2.25 million), an effectiveness review may be warranted to determine if the registration denial system could be a suitable enforcement method for Illinois’ vehicle emissions testing program.

| ENFORCEMENT STRUCTURE | |
|---|---|
| RECOMMENDATION NUMBER 10 | <p><i>The Illinois Environmental Protection Agency and the Secretary of State’s Office should initiate a formal review of the vehicle emissions testing program’s enforcement component to determine if the State should use a registration denial system or make other changes to increase efficiency and decrease cost. In addition:</i></p> <ul style="list-style-type: none"> • <i>IEPA should develop a system to verify motorists’ self-certifications from the vehicle emissions test as required by federal regulations.</i> |

| | |
|---|--|
| | <ul style="list-style-type: none"> • <i>Secretary of State’s Office should track and report the number of actual driver’s license and vehicle license plate suspensions.</i> |
| <p>IEPA RESPONSE</p> | <p><u>Accepted; partially implemented.</u> The vehicle emission testing program’s enabling legislation requires the use of the current enforcement process involving driver license and vehicle registration suspensions. Compared to the registration denial system used in other states, the Illinois enforcement system is a much more customer friendly process. It provides for a higher level of notification to the vehicle owner that there is a problem with their compliance with the vehicle testing program and provides for a longer period for the owner to come into compliance before affecting their right to drive the vehicle. We believe the extra effort given in notifying vehicle owners and the extra time allowed for them to comply, results in a much higher level of customer service than the vehicle registration denial approach.</p> <p>The IEPA met with the Secretary of State staff on September 19, 2001 and initiated discussion and a formal review of the current enforcement process. We will continue to work with the Secretary of State’s office to examine any opportunities to improve efficiency and to reduce costs involving the enforcement function including a review of the registration denial approach used in other states.</p> <p>IEPA will be using a statistical sampling approach to help support and expand the verifications of test exemptions already provided by the Secretary of State computer matching process.</p> |
| <p>SECRETARY OF STATE’S RESPONSE</p> | <p>The Secretary of State’s Office agrees that the Vehicle Services & Driver Services Departments along with the IEPA would benefit from a formal review of the Vehicle Emissions Test program. Our ongoing goal in the Secretary of State’s Office is to increase efficiency and decrease cost in the IEPA Enforcement Process.</p> <p>The Vehicle Services Department currently has the capability to track and report the number of actual IEPA registration suspensions applied and cleared. The Driver Services Department has already began analyzing the present computer stored statistical information from this program in order to improve on the data captured relating to actual driver’s license suspensions.</p> |

APPENDIX A

**Legislative Audit Commission
Resolution Number 119**

Legislative Audit Commission

RESOLUTION NO. 119

WHEREAS, Illinois citizens in the Chicago metropolitan and East Saint Louis area are required by the Illinois Environmental Protection Agency (IEPA) to have their motor vehicles undergo mandatory emission inspections; and

WHEREAS, some have argued that the treadmill test (IM-240) employed in the emission inspection and the lack of due care used by the employees of Envirotest, the company that operates the testing stations for the IEPA, has, on numerous occasions, resulted in many vehicles being damaged; and

WHEREAS, it is unfortunate enough that our citizens must suffer the inconvenience of having their vehicles tested, they should not be further inconvenienced by losing the use of the vehicle due to having their brakes, transmission, tires or other vehicle parts damaged in a testing station; and

WHEREAS, in many instances, Envirotest denies claims for damages based on a pre-existing condition, while at the same time the vehicle owners state that their vehicles were operating normally prior to the test;

WHEREAS, it is reported that the State of Ohio has discarded the IM-240 test and replaced it with a test which eliminates most of the causes of vehicle damage; therefore be it

RESOLVED, BY THE LEGISLATIVE AUDIT COMMISSION that the Auditor General is directed to conduct a management audit of the Illinois Environmental Protection Agency's Vehicle Emissions Inspection Program; and be it further

RESOLVED, that this audit shall include, but need not be limited to, the following determinations:

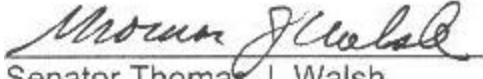
- Whether and to what extent IEPA monitors the performance of the selected vendor(s), including whether the vendor's employees are properly trained and are exercising due care in conducting vehicle inspections;
- Whether the vehicle emission inspection program has an effective process to record and resolve complaints by vehicle owners concerning alleged damage to their vehicles resulting from the inspection program; and
- A comparison of vehicle emission tests used in Illinois (such as IM-240) with those used in other states,

BE IT FURTHER RESOLVED, that the Illinois Environmental Protection Agency and all entities having information relevant to this audit, including vendors, shall cooperate fully and promptly with the Office of the Auditor General in the conduct of this audit; and be it further

RESOLVED, that the Auditor General commence this audit as soon as possible and report his findings and recommendation upon completion to the Legislative Audit Commission, the Governor and the members of the General Assembly in accordance with the

provisions of the Illinois State Auditing Act.

Adopted this 25th day of July, 2000.



Senator Thomas J. Walsh
Co-chair



Representative Julie Curry
Co-chair

APPENDIX B

Audit Methodology

Appendix B

METHODOLOGY

We gathered data for this audit using a number of methods that included interviewing IEPA, Envirotest, Secretary of State, and U.S. EPA Region 5 officials. We reviewed documents from IEPA, Envirotest, and other states. We also conducted mail surveys of motorists and other states, reviewed Envirotest damage claims and training records, and conducted field visits to test stations. (Also see Scope and Methodology in Chapter One.)

MOTORIST SURVEY. We conducted a sample of motorists whose vehicles’ emissions were tested by Envirotest in February 2001. Sample numbers were generated randomly by computer; three spare numbers were also generated in case replacements were necessary. Each station was a separate unit and its tests were numbered separately beginning with the number 1. The *starting* sample size for motorists whose vehicles were tested at all the stations was established at 1,000. The final sample size was 1,036 because we wanted to sample at least 15 motorists from each test station to ensure representation from the East St. Louis stations, which tested fewer vehicles than Chicago test stations. A total of 413 motorists responded to our mail survey, sent in March 2001.

SURVEY OF STATES. We identified states that administered a vehicle emissions testing program using data from the U.S. EPA and the IEPA and sent a survey questionnaire to 35 states. A total of 29 states responded, including Illinois and the District of Columbia; in some cases we also followed up for clarification or further details. For simplification, when referring to the number of states which responded to our survey questionnaire, we have included the District of Columbia. Two states (Kentucky and Utah) had different regions complete a questionnaire; however, since the regions were within a state they were counted as one state.

TRAINING RECORDS. We sampled Envirotest lane inspectors’ and managers’ training records by using an electronic file provided by IEPA. The file listed Envirotest employees’ training certifications for those employed on December 31, 2000. Because employees may earn certificates for training as lane inspector, customer service representative, and manager, the Microsoft Excel file had multiple entries for some Envirotest employees. We sampled the training records of managers and lane inspectors since they were directly involved with vehicle emissions testing. We sorted the data using Microsoft Access, which resulted in an unduplicated count of 466 Envirotest inspectors and managers: 102 managers and 364 lane inspectors. Using a random start at 7, we selected every third manager for a total of 34. Using a random start of 5, we selected every sixth lane inspector for a total of 63. We also sampled re-certifications using this sample which included 13 managers and 17 lane inspectors who had been re-certified.

DAMAGE CLAIMS. Damage claims are written on comment forms completed by motorists. There were 1,049 damage claims in the data provided to us by Envirotest; however, Envirotest had re-classified 6 comment forms as complaints leaving 1,043

damage claims in calendar year 2000. We reviewed more than one-half of the damage claims (555 of 1,043).

SITE VISITS. We visited five test stations operated by Envirotec during the course of this audit, along with visiting Envirotec's central office in Villa Park and IEPA's field office in Elk Grove Village. The purpose of these visits was to observe vehicle emissions testing, interview officials, obtain documents, and review records pertaining to training, damage claims, and monitoring.

APPENDIX C

Survey of States: Summary

| TYPE OF PROGRAM | | | | | | |
|------------------------|---------------|-----------------------|---|----------------------------------|---------------------|------------------------|
| State | Network | Program | Test | Exempted New Vehicles | Oldest Model Tested | Test Frequency |
| 1. Alaska | Decentralized | ▪ Basic | ▪ TSI | 2 model years | 1968 | ▪ Biennial |
| 2. Arizona | Centralized | n/a | ▪ I/M 147 ▪ Idle | 4 model years | 1967 | ▪ Annual ▪ Biennial |
| 3. California | Decentralized | ▪ Basic ▪ Enhanced | ▪ ASM 25/25 ▪ ASM 50/15 | 4 model years | 1973 | ▪ Biennial |
| 4. Colorado | Hybrid | ▪ Basic ▪ Enhanced | ▪ I/M 240 ▪ TSI | 4 model years | n/a | ▪ Annual ▪ Biennial |
| 5. D.C. | Centralized | ▪ Enhanced | ▪ I/M 240 | n/a | n/a | n/a |
| 6. Delaware | Centralized | ▪ Enhanced | ▪ Idle ▪ TSI Pressure | 5 model years | 1968 | ▪ Biennial |
| 7. Florida* | Hybrid | ▪ Basic | ▪ Idle | New 1 st registration | 1975 | ▪ Annual |
| 8. Georgia | Decentralized | ▪ Enhanced | ▪ ASM 25/25 ▪ TSI | 3 model years | 25 model years old | ▪ Annual |
| 9. Illinois | Centralized | ▪ Enhanced | ▪ I/M 240 ▪ Idle ▪ Remote Sensing | 4 model years | 1968 | ▪ Biennial |
| 10. Indiana | Centralized | ▪ Enhanced | ▪ I/M 93 | 4 model years | 1976 | ▪ Biennial |
| 11. Kentucky-Frankfurt | Centralized | ▪ Basic | ▪ Idle | None | 1968 | ▪ Biennial |
| Kentucky-Louisville | Centralized | ▪ Enhanced | ▪ Hybrid TS loaded mode | n/a | 1968 | ▪ Annual |
| 12. Maine | Decentralized | ▪ OBD | ▪ OBD ▪ Visual | Vehicles <1,000 miles | n/a | ▪ Annual |
| 13. Maryland | Centralized | ▪ Enhanced | ▪ I/M 240 ▪ Idle ▪ Remote Sensing | 2 model years | 1977 | ▪ Biennial |
| 14. Massachusetts | Decentralized | n/a | ▪ MA 31 | 2 model years | 1984 | ▪ Biennial |
| 15. Missouri | Centralized | ▪ Basic ▪ Enhanced | ▪ Idle ▪ I/M 240 | 2 model years | 1971 | ▪ Annual ▪ Biennial |
| 16. Nevada | Decentralized | ▪ Basic | ▪ Idle | 2 model years | 1968 | ▪ Annual |
| 17. New Jersey | Hybrid | ▪ Enhanced | ▪ ASM 50/15 | None | n/a | ▪ Biennial |
| 18. New Mexico | Decentralized | ▪ Basic | ▪ TSI | 1 or 2 model years | 1975 | ▪ Biennial |
| 19. New York | Decentralized | ▪ Enhanced | ▪ Idle ▪ NYTEST | 2 model years | 1975 | ▪ Annual |
| 20. North Carolina | Decentralized | ▪ Basic | ▪ Idle | Current model year | 1975 | ▪ Annual |
| 21. Ohio | Centralized | ▪ Enhanced | ▪ Idle | 2 model years | 1975 | ▪ Biennial |
| 22. Oregon | Centralized | ▪ Basic ▪ Enhanced | ▪ BAR 31 ▪ TSI | 2 model years | 1975 | ▪ Biennial |
| 23. Rhode Island | Decentralized | n/a | ▪ BAR 31 | 2 model years | n/a | ▪ Biennial |
| 24. Tennessee | Centralized | ▪ Basic | ▪ Idle | 1 model year | 1975 | ▪ Annual |
| 25. Texas | Decentralized | ▪ Enhanced | ▪ TSI | 2 model years | 1976 | ▪ Annual |
| 26. Utah-Spanish Fork | Decentralized | n/a | ▪ Idle ▪ Remote Sensing | n/a | 1968 | ▪ Annual |
| Utah-Ogden | Decentralized | ▪ Basic | ▪ Idle | 1 model year | 1968 | ▪ Annual |
| Utah-Salt Lake City | Decentralized | n/a | ▪ ASM 25/25 ▪ ASM 50/15 | n/a | 1968 | ▪ Annual |
| 27. Virginia | Decentralized | ▪ Enhanced | ▪ ASM2 ▪ TSI | 2 model years | 25 model years old | ▪ Biennial |
| 28. Washington | Centralized | ▪ Basic ▪ Enhanced | ▪ ASM 25/25 | 4 model years | 1976 | ▪ Biennial |
| 29. Wisconsin | Centralized | ▪ Enhanced | ▪ I/M 240 | 1 model year | 1968 | ▪ Biennial |

Not all possible tests included.

D.C. = District of Columbia

*Florida discontinued its vehicle emissions testing program on July 1, 2000.

Source: Illinois Auditor General’s survey of states for FY2000.

n/a = Not available or not applicable

| CHANGES IN PROGRAM | | | |
|--|---|---|---------------------------------------|
| State | Prior Test | Reason for Change | Future Testing Planned |
| 1. Alaska | n/a | n/a | OBD II |
| 2. Arizona | I/M 240 | False failures & Preconditioning | OBD II |
| 3. California | TSI Pressure | Legislation | OBD II |
| 4. Colorado | I/M | n/a | Remote sensing/clean screen |
| 5. D.C. | Tail pipe probe | n/a | n/a |
| 6. Delaware | n/a | n/a | Comply w/OBD mandate |
| 7. Florida* | n/a | n/a | No. Program discontinued. |
| 8. Georgia | Basic Idle | Requirement Non-attainment Area | OBD, ASM2 25/25 & 50/15 |
| 9. <i>Illinois</i> | <i>Idle</i> | <i>1990 Clean Air Act Amendment</i> | OBD II |
| 10. Indiana | Basic Idle | 1990 Clean Air Act Amendment | No |
| 11. Kentucky-Frankfurt | Anti-Tampering | Unenforceable | OBD II |
| Kentucky-Louisville | Idle | Gain more credits | OBD II |
| 12. Maine | n/a | n/a | No |
| 13. Maryland | n/a | n/a | OBD |
| 14. Massachusetts | Basic | Enhanced emissions required | Add OBD |
| 15. Missouri | BAR 90 | Not Y2K compliant switched to Enhanced | OBD |
| 16. Nevada | n/a | n/a | OBD |
| 17. New Jersey | Idle | To meet EPA standards | No |
| 18. New Mexico | Centralized loaded | State Supreme Court Challenge | BAR 97, OBD II |
| 19. New York | Decentralized Idle | Comply with 40 CFR Part 51 | OBD II |
| 20. North Carolina | n/a | n/a | OBD |
| 21. Ohio | Visual anti-tampering | Address specific type of pollution | No |
| 22. Oregon | n/a | n/a | Remote sensing/clean screen |
| 23. Rhode Island | BAR84 | Not effective | No |
| 24. Tennessee | n/a | n/a | OBD II |
| 25. Texas | Decentralized Idle Centralized I/M 240 | Legislation | OBD and ASM |
| 26. Utah-Spanish Fork | n/a | n/a | No |
| Utah-Ogden | n/a | n/a | OBD II |
| Utah-Salt Lake City | Bar 74 Bar 90 Idle | Better test | OBD II |
| 27. Virginia | Basic Idle | Clean Air Act Amendment required enhanced | OBD II |
| 28. Washington | TSI Loaded test | Cost | ASM in all areas OBD |
| 29. Wisconsin | Bar 84 | 1990 Clean Air Act Amendment | OBD II, I/M 240 for 95 & older |
| D.C. = District of Columbia | | | n/a = Not available or not applicable |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | | | |
| Source: Illinois Auditor General's survey of states for FY2000. | | | |

| PROGRAM OPERATOR | | |
|--|----------------------------------|--|
| State | Operator | Facility and Equipment Owner |
| 1. Alaska | n/a | n/a |
| 2. Arizona | Gordon-Darby, Inc. | Contractor |
| 3. California | n/a | n/a |
| 4. Colorado | Envirotest Systems Corp. | Contractor |
| 5. D.C. | City | City |
| 6. Delaware | State | State |
| 7. Florida* | Gordon-Darby, Inc. | Contractor |
| 8. Georgia | n/a | n/a |
| 9. <i>Illinois</i> | <i>Envirotest Illinois, Inc.</i> | <i>Contractor</i> |
| 10. Indiana | Envirotest Systems Corp. | Contractor |
| 11. Kentucky-Frankfurt | Envirotest Systems Corp. | Contractor |
| Kentucky-Louisville | Gordon-Darby, Inc. | Contractor |
| 12. Maine | n/a | n/a |
| 13. Maryland | Environmental Systems Products | State |
| 14. Massachusetts | n/a | n/a |
| 15. Missouri | ESP Missouri | Contractor |
| 16. Nevada | n/a | n/a |
| 17. New Jersey | Parsons | State |
| 18. New Mexico | n/a | n/a |
| 19. New York | n/a | n/a |
| 20. North Carolina | n/a | n/a |
| 21. Ohio | Environmental Systems Products | Contractor (equipment) 3 rd Party (facility) |
| 22. Oregon | State | State |
| 23. Rhode Island | Keating Technologies | Contractor (equipment) Independent garage (facility) |
| 24. Tennessee | Envirotest Systems Corp. | Contractor |
| 25. Texas | n/a | n/a |
| 26. Utah-Spanish Fork | n/a | n/a |
| Utah-Ogden | n/a | n/a |
| Utah-Salt Lake City | n/a | n/a |
| 27. Virginia | n/a | n/a |
| 28. Washington | Envirotest Systems Corp. | Contractor |
| 29. Wisconsin | Envirotest Wisconsin, Inc. | Contractor |
| D.C. = District of Columbia | | n/a = Not available or not applicable |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | | |
| Source: Illinois Auditor General’s survey of states for FY2000. | | |

| FUNDING | | | | | | |
|------------------------|----------------------------|---------------|---|---------------------------------|-------------------------------|------------------------------------|
| State | Test | Federal Funds | Source of State Funds | Motorist Cost | State Cost per Vehicle Tested | Administrative Cost |
| 1. Alaska | ▪ TSI | No | Motorist fee | \$25.00 - \$30.00 | \$0 | n/a |
| 2. Arizona | ▪ I/M 147 ▪ Idle | No | Motorist fee, Registration fee | \$12.50 to \$25.00 | \$6.00 | n/a |
| 3. California | ▪ ASM 25/25 ▪ ASM 50/15 | No | Compliance certificate sales | Varies | n/a | n/a (pass-on of user fee) |
| 4. Colorado | ▪ I/M 240 ▪ TSI | No | Motorist fee, Registration fee | \$24.25 | \$0 | \$4.90 to \$5.40 per test |
| 5. D.C. | ▪ I/M 240 | No | Motorist fee, License registration fee | n/a | n/a | n/a |
| 6. Delaware | ▪ Idle ▪ TSI Pressure | No | Appropriations, Registration fee | n/a | n/a | n/a |
| 7. Florida* | ▪ Idle | No | Motorist fee | \$10.00 | \$0 | \$2.5 million |
| 8. Georgia | ▪ ASM 25/25 ▪ TSI | No | Motorist fee | \$10.00 - \$25.00 | n/a | n/a |
| 9. Illinois | ▪ I/M 240 ▪ Idle | Yes | Motor Fuel Tax | \$0 | \$24.52 | \$5.77 per test |
| 10. Indiana | ▪ I/M 93 | No | General Revenues | \$0 | \$24.96 | \$300,000 |
| 11. Kentucky-Frankfurt | ▪ Idle | No | Motorist fee | \$20.00 | \$2.22 | n/a |
| Kentucky-Louisville | ▪ Hybrid TS loaded mode | No | Motorist fee | \$11.00 | \$0 | \$0 |
| 12. Maine | ▪ OBD ▪ Visual | No | Motorist fee | \$6.00 | \$0 | n/a |
| 13. Maryland** | ▪ I/M 240 ▪ Idle | No | Motorist fee | ** | \$15.00 | \$4.17 per test |
| 14. Massachusetts | ▪ MA 31 | No | Motorist fee | \$29.00 | \$0 | \$0 |
| 15. Missouri | ▪ Idle ▪ I/M 240 | n/a | Motorist fee | \$10.50 - \$24.00 | \$0 | \$2.50/vehicle included in \$24.00 |
| 16. Nevada | ▪ Idle | No | Certificate of compliance fee | \$27.50-\$30.50 +\$5.00/vehicle | n/a | n/a |
| 17. New Jersey | ▪ ASM 50/15 | Yes | License registration fee | n/a | n/a | n/a |
| 18. New Mexico | ▪ TSI | No | Motorist fee | \$19.50 | \$4.00 | n/a |
| 19. New York | ▪ Idle ▪ NYTEST | No | Motorist fee | \$25.00 | \$4.00 | \$18 million (1996 est.) |
| 20. North Carolina | ▪ Idle | No | Motorist fee | \$19.40 | \$2.40 | \$0 |
| 21. Ohio | ▪ Idle | No | Motorist fee | \$19.50 | n/a | n/a |
| 22. Oregon | ▪ BAR 31 ▪ TSI | No | Motorist fee | \$21.00 | n/a | n/a |
| 23. Rhode Island | ▪ BAR 31 | No | Motorist fee | \$47.00 | \$2.00; \$14 Gen. Fund | \$7.00 Equipment \$6.00 Program |
| 24. Tennessee | ▪ Idle | No | Motorist fee | \$6.00 | n/a | n/a |
| 25. Texas | ▪ TSI | No | Motorist fee | \$13.00 | \$1.75 | n/a |
| 26. Utah-Spanish Fork | ▪ Idle | No | License registration fee, Certificate purchase | n/a | n/a | n/a |
| Utah-Ogden | ▪ Idle | No | Motorist fee, License registration fee, Certificate fee | \$15.00 | n/a | n/a |
| Utah-Salt Lake City | ▪ ASM 25/25 ▪ ASM 50/15 | No | License registration fee | \$25.00 | \$0 | \$168,000 |
| 27. Virginia | ▪ ASM2 | No | License registration fee | \$22.00 | n/a | n/a |
| 28. Washington | ▪ ASM 25/25 | No | Motorist fee | \$15.00 | \$11.24 | \$3.4 million |
| 29. Wisconsin | ▪ I/M 240 | n/a | n/a | \$0 | \$0 | \$14.21 per test |

D.C. = District of Columbia
 * Florida discontinued its vehicle emissions testing program on July 1, 2000.
 ** Maryland's program cost was \$18 million per year for operations (or \$15 per test) and \$5 million per year for administration (or \$4.17 per test) based on 1.2 million tests. Maryland's motorist cost per test of \$12.00 increased to \$14.00 on November 2, 2000.
 Source: Illinois Auditor General's survey of states for FY2000.

| PENALTY FOR NOT COMPLYING | | | | |
|--|--|--|---------------------------------------|----------------------------|
| State | Registration Denial ✓ = Yes | Registration Suspension ✓ = Yes | License Suspension ✓ = Yes | Other |
| 1. Alaska | ✓ | | | |
| 2. Arizona | ✓ | | | |
| 3. California | ✓ | | | |
| 4. Colorado | ✓ | | | |
| 5. D.C. | ✓ | | | |
| 6. Delaware | ✓ | | | |
| 7. Florida* | ✓ | | | |
| 8. Georgia | ✓ | | | Late fees |
| 9. <i>Illinois</i> | | ✓ | ✓ | |
| 10. Indiana | ✓ | | | |
| 11. Kentucky-Frankfurt | ✓ | ✓ | | |
| Kentucky-Louisville | | ✓ | | |
| 12. Maine | | | | Safety sticker denial |
| 13. Maryland | ✓ | ✓ | | Late fee |
| 14. Massachusetts | | ✓ | | Police citation |
| 15. Missouri | ✓ | | | |
| 16. Nevada | ✓ | | | |
| 17. New Jersey | | | | Monetary fines |
| 18. New Mexico | ✓ | | | |
| 19. New York | ✓ | | | Police citation |
| 20. North Carolina | ✓ | | | |
| 21. Ohio | ✓ | | | |
| 22. Oregon | ✓ | | | |
| 23. Rhode Island | ✓ | ✓ | | |
| 24. Tennessee | ✓ | | | |
| 25. Texas | ✓ | | | Police citation |
| 26. Utah-Spanish Fork | ✓ | | | |
| Utah-Ogden | ✓ | | | Impound for expired plates |
| Utah-Salt Lake City | ✓ | | | |
| 27. Virginia | ✓ | | | |
| 28. Washington | ✓ | | | |
| 29. Wisconsin | ✓ | | | |
| D.C. = District of Columbia | | | | |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | | | | |
| Source: Illinois Auditor General’s survey of states for FY2000. | | | | |

| PROGRAM FOR LOW INCOME MOTORISTS | |
|--|---|
| State | Program Description |
| 1. Alaska | No program |
| 2. Arizona | Up to \$500 in additional repairs. |
| 3. California | Low income assistance. Motorist pays 1 st \$20. |
| 4. Colorado | Limited funds available to repair certain vehicles. |
| 5. D.C. | No program |
| 6. Delaware | No program |
| 7. Florida* | Public assistance recipients don't have to pay for repairs. |
| 8. Georgia | No program |
| 9. <i>Illinois</i> | <i>Economic hardship extension 1 year.</i> |
| 10. Indiana | No program |
| 11. Kentucky-Frankfurt | No program |
| Kentucky-Louisville | No program |
| 12. Maine | No program |
| 13. Maryland | Considered on a case by case basis. |
| 14. Massachusetts | No program |
| 15. Missouri | Families within poverty guidelines eligible one time up to \$450. |
| 16. Nevada | Pilot program in one county. |
| 17. New Jersey | No program |
| 18. New Mexico | No program |
| 19. New York | No program |
| 20. North Carolina | No program |
| 21. Ohio | Hardship extension valid for 6 months. |
| 22. Oregon | Fee waived from enhanced test to basic. |
| 23. Rhode Island | One-time only time delay waiver. |
| 24. Tennessee | Hardships--case by case basis. |
| 25. Texas | No program |
| 26. Utah-Spanish Fork | No program |
| Utah-Ogden | No program |
| Utah-Salt Lake City | No program |
| 27. Virginia | No program |
| 28. Washington | No program |
| 29. Wisconsin | No program |
| D.C. = District of Columbia | |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | |
| Source: Illinois Auditor General's survey of states for FY2000. | |

| EXEMPTION FROM EMISSIONS TESTING | | |
|--|---|---|
| State | Type of Temporary Exemptions | Verification |
| 1. Alaska | Junked | Cannot be re-registered unless tested |
| 2. Arizona | Out of area | By law enforcement official |
| 3. California | n/a | Verification by a referee center |
| 4. Colorado | Historic, collection, street rod, farm | Determined during registration process with established criteria |
| 5. D.C. | n/a | Visual inspection |
| 6. Delaware | Junked, electric-powered | Registration denial |
| 7. Florida* | Junked, out of area, repair parts unavailable | EPA exemption documentation, proof of other state exemption, certificate of engine year by mechanic |
| 8. Georgia | Junked, senior citizens, out of area (military/students) | Mileage and age verifications for seniors, proof of applicable military and school documentation |
| 9. Illinois | <i>Junked, not driven in test area, fuel type, moved out of test area, sold</i> | <i>Signed certification</i> |
| 10. Indiana | Out of area, alternate fuels, kit/show cars | Alternate Fuels – inspected. Out of area – post mark check |
| 11. Kentucky-Frankfurt | Junked, out of area, tested in another program | Affidavit, Registration database analysis, parking lot checks |
| Kentucky-Louisville | Junked, out of area, electric vehicles, fire trucks, registered to active duty military personnel | Investigations, vehicle record status tracking, covert audits |
| 12. Maine | n/a | n/a |
| 13. Maryland | Disabled individuals or age 70 years or older who drive less than 5,000 miles annually | Application process and certify mileage every two years |
| 14. Massachusetts | None | n/a |
| 15. Missouri | Junked, out of area | Signed affidavit |
| 16. Nevada | Out of area | Affidavit review; random observations by enforcement personnel |
| 17. New Jersey | No exemptions | n/a |
| 18. New Mexico | Out of area | VIN verification |
| 19. New York | Vehicles older than 25 years, diesel powered, farm, motorcycles, military tactical vehicles | n/a |
| 20. North Carolina | Out of area | n/a |
| 21. Ohio | Out of area, military, students | Military orders, enrollment information from school official, post mark check |
| 22. Oregon | No exemptions | n/a |
| 23. Rhode Island | Out of area | Documentation |
| 24. Tennessee | Junked, out of area | Insurance documents, other documents—utility bill, transcripts |
| 25. Texas | Out of area | Affidavit |
| 26. Utah-Spanish Fork | n/a | n/a |
| Utah-Ogden | Junked, out of area, farm | Traffic stops, annual registration, out of state exemption tracking |
| Utah-Salt Lake City | Out of area | Monitor and analyze documents required for registration |
| 27. Virginia | Out of area-deferral, non-conforming vehicles | Signed application, site visits, other vehicle inspection, other documentation |
| 28. Washington | Junked, out of area | n/a |
| 29. Wisconsin | Junked, out of area | I/M staff contact motorist at current location |
| D.C. = District of Columbia | | n/a = Not available or not applicable |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | | |
| Source: Illinois Auditor General’s survey of states for FY2000. | | |

| SALARY AND TURNOVER | | | |
|--|-----------------------------------|-----------------|--|
| State | Salary/Hour for Inspectors | Turnover | Incentives |
| 1. Alaska | n/a | n/a | n/a |
| 2. Arizona | Proprietary | Proprietary | Provided by contractor |
| 3. California | Varies | n/a | n/a |
| 4. Colorado | \$6.00 | 176% | n/a |
| 5. D.C. | \$21,000 per year | 20% | n/a |
| 6. Delaware | \$10.50 | 10% | No |
| 7. Florida* | \$6.00 | 80% | Provided by contractor |
| 8. Georgia | n/a | n/a | n/a |
| 9. <i>Illinois</i> | \$7.00 | 100% | Provided by contractor |
| 10. Indiana | \$5.75 | 160% | Provided by contractor |
| 11. Kentucky-Frankfurt | \$6.00 | 90% | No |
| Kentucky-Louisville | \$7.15 | Confidential | Provided by contractor |
| 12. Maine | n/a | n/a | n/a |
| 13. Maryland | \$7.50 | 100% | Provided by contractor |
| 14. Massachusetts | n/a | n/a | No |
| 15. Missouri | \$7.75 | 200% | No |
| 16. Nevada | n/a | n/a | n/a |
| 17. New Jersey | n/a | n/a | No |
| 18. New Mexico | \$8.00 | 40% | No |
| 19. New York | n/a | n/a | Training provided by NY State Department of Motor Vehicles |
| 20. North Carolina | n/a | n/a | n/a |
| 21. Ohio | \$6.50 | 100% | Perfect attendance, \$0.50 raise |
| 22. Oregon | \$9.75 | 8% | n/a |
| 23. Rhode Island | Varies | n/a | n/a |
| 24. Tennessee | \$6.00 | 100% | Provided by contractor/ attendance incentive |
| 25. Texas | n/a | 40% | No |
| 26. Utah-Spanish Fork | n/a | n/a | n/a |
| Utah-Ogden | n/a | n/a | None |
| Utah-Salt Lake City | \$10.00 | 20% | No |
| 27. Virginia | n/a | n/a | Letter of appreciation |
| 28. Washington | \$9.20 | 100+% | No |
| 29. Wisconsin | \$7.50 | 78% | No |
| D.C. = District of Columbia | | | n/a = Not available or not applicable |
| *Florida discontinued its vehicle emissions testing program on July 1, 2000. | | | |
| Source: Illinois Auditor General's survey of states for FY2000. | | | |

| TRAINING OF INSPECTORS | | | | | | | |
|------------------------|----------------------------|----------------|------------------------|----------------------------|-------------------------------|-------------------|------------------|
| State | Test | Training Hours | Supervisors Hours | Trainer | Training Verification | Certification | Re-Certification |
| 1. Alaska | ▪ TSI | n/a | n/a | State | Access to sys. | State | 2 years |
| 2. Arizona | ▪ I/M 147 ▪ Idle | 48 | n/a | Contractor | Curriculum approval | State | 1 year |
| 3. California | ▪ ASM 25/25 | n/a | n/a | n/a | n/a | n/a | n/a |
| 4. Colorado | ▪ I/M 240 ▪ TSI | 107 | None | Contractor | Licensed, issued ID codes | State | Yes |
| 5. D.C. | ▪ I/M 240 | 80 | n/a | City | City signs certificate | n/a | 2 years |
| 6. Delaware | ▪ Idle ▪ TSI Pressure | 24+ | n/a | State, College, Contractor | State direction & supervision | State | 2 years |
| 7. Florida* | ▪ Idle | 80 | n/a | Contractor | Posted Certificate | Contractor | n/a |
| 8. Georgia | ▪ ASM 25/25 ▪ TSI | 6-8 | n/a | Contractor | Reports, State Audits | Contractor | 2 years |
| 9. Illinois | ▪ I/M 240 ▪ Idle | 80 | 144 | Contractor | Inspection & review | Contractor | 2 years |
| 10. Indiana | ▪ I/M 93 | 36 | n/a | Contractor | Records check | Contractor | 2 years |
| 11. Kentucky-Frankfurt | ▪ Idle | 0 | 0 | Contractor | Records check | No | No |
| Kentucky-Louisville | ▪ Hybrid TS loaded mode | 65 | On-the-job training | Contractor | Testing, Observation | Contractor | 1 year |
| 12. Maine | ▪ OBD ▪ Visual | n/a | n/a | Contractor | State Police | State Police | No |
| 13. Maryland | ▪ I/M 240 ▪ Idle | 40+ | 0 | State, Contractor | State monitoring | State | 2 years |
| 14. Massachusetts | ▪ MA 31 | 20 | n/a | Contractor | Attendance, Test | Contractor | 2 years |
| 15. Missouri | ▪ I/M 240 | 60 | 100 | Contractor | Audits | Contractor | No |
| 16. Nevada | ▪ Idle | n/a | n/a | n/a | n/a | n/a | 2 years |
| 17. New Jersey | ▪ ASM 50/15 | n/a | n/a | Contractor | State verification | n/a | n/a |
| 18. New Mexico | ▪ TSI | 32 | n/a | State | Referee | State | 1 year |
| 19. New York | ▪ NYTEST | 0 | n/a | State | Audits | State | No |
| 20. North Carolina | ▪ Idle | 16 | n/a | State, College | Records verified | State | 2 years |
| 21. Ohio | ▪ Idle | 56 | None | Contractor | Checks, audits | Contractor | 2 years |
| 22. Oregon | ▪ BAR 31 ▪ TSI | 160 | Automotive Experience | State | Monitoring | State | 2 years |
| 23. Rhode Island | ▪ BAR 31 | 20 | n/a | State, Contractor | Audits | State | No |
| 24. Tennessee | ▪ Idle | 56 | Supervisory Experience | Contractor | Information from contractor | Contractor | 1 year |
| 25. Texas | ▪ TSI | 8½ | n/a | State, Vendor | n/a | State | 2 years |
| 26. Utah-Spanish Fork | ▪ Idle | 32 | n/a | n/a | n/a | n/a | 1 year |
| Utah-Ogden | ▪ Idle | 20 | Same | State, County, College | Quarterly audits | County | 1 year |
| Utah-Salt Lake City | ▪ ASM 25/25 ▪ ASM 50/15 | n/a | n/a | Health Dept. | State performs training | Health Department | varies |
| 27. Virginia | ▪ ASM2 | 22-23 | n/a | College | Database | State | 3 years |
| 28. Washington | ▪ ASM 25/25 | n/a | n/a | Contractor | n/a | n/a | n/a |
| 29. Wisconsin | ▪ I/M 240 | n/a | n/a | Contractor, College | Audits | College | 2 years |

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n/a = Not available or not applicable

| COMPLAINTS AND DAMAGE CLAIMS | | | | | | | |
|------------------------------|----------------------------|------------|------------------------------|---------------------|--------------------|----------|--------------|
| State | Test | Complaints | Damage Claim Rate per 10,000 | Damage Claims Filed | Damage Claims Paid | Appealed | Average Paid |
| 1. Alaska | ▪ TSI | n/a | 0 | 0 | 0 | n/a | n/a |
| 2. Arizona | ▪ I/M 147 ▪ Idle | n/a | n/a | n/a | n/a | n/a | n/a |
| 3. California | ▪ ASM 25/25 ▪ ASM 50/15 | n/a | n/a | n/a | n/a | n/a | n/a |
| 4. Colorado**** | ▪ I/M 240 ▪ TSI | 855 | n/a | n/a | n/a | 44 | n/a |
| 5. D.C. | ▪ I/M 240 | 52 | n/a | n/a | n/a | n/a | n/a |
| 6. Delaware | ▪ Idle ▪ TSI Pressure | n/a | 0.73 | 22 | 22 | 0 | \$339 |
| 7. Florida* | ▪ Idle | 223 | n/a | n/a | n/a | n/a | n/a |
| 8. Georgia | ▪ ASM 25/25 ▪ TSI | n/a | n/a | n/a | n/a | n/a | n/a |
| 9. Illinois** | ▪ I/M 240 ▪ Idle | 1,238 | 6.33 | 1,043 | ***218 | 30 | \$339 |
| 10. Indiana | ▪ I/M 93 | 77 | 3.70 | 67 | 18 | 0 | \$138 |
| 11. Kentucky-Frankfurt | ▪ Idle | 40 | n/a | 20 | 6 | n/a | \$280 |
| Kentucky-Louisville | ▪ Hybrid TS loaded mode | n/a | n/a | n/a | n/a | n/a | n/a |
| 12. Maine | ▪ OBD ▪ Visual | n/a | n/a | n/a | n/a | n/a | n/a |
| 13. Maryland | ▪ I/M 240 ▪ Idle | 1,314 | 5.41 | 649 | 117 | 1 | \$300 |
| 14. Massachusetts | ▪ MA31 | n/a | n/a | n/a | n/a | n/a | n/a |
| 15. Missouri** | ▪ Idle ▪ I/M 240 | 715 | 15.80 | 715 | 196 | 8 | \$281 |
| 16. Nevada | ▪ Idle | n/a | n/a | n/a | n/a | n/a | n/a |
| 17. New Jersey | ▪ ASM 50/15 | n/a | n/a | n/a | n/a | n/a | n/a |
| 18. New Mexico | ▪ TSI | 31 | n/a | 0 | 0 | n/a | n/a |
| 19. New York | ▪ Idle ▪ NYTEST | n/a | n/a | n/a | n/a | n/a | n/a |
| 20. North Carolina | ▪ Idle | n/a | n/a | n/a | n/a | n/a | n/a |
| 21. Ohio** | ▪ Idle | 808 | 3.68 | 716 | 278 | 11 | \$409 |
| 22. Oregon | ▪ BAR 31 ▪ TSI | 4 | 0.90 | 45 | 40 | 1 | \$300 |
| 23. Rhode Island | ▪ BAR 31 | 60 | n/a | 0 | 0 | n/a | n/a |
| 24. Tennessee | ▪ Idle | 13 | 0.03 | 2 | 2 | 0 | \$514 |
| 25. Texas | ▪ TSI | n/a | n/a | n/a | n/a | n/a | n/a |
| 26. Utah-Spanish Fork | ▪ Idle | n/a | n/a | n/a | n/a | n/a | n/a |
| Utah-Ogden | ▪ Idle | 6 | 0 | 0 | 0 | n/a | n/a |
| Utah-Salt Lake City | ▪ ASM 25/25 ▪ ASM 50/15 | n/a | n/a | n/a | n/a | n/a | n/a |
| 27. Virginia | ▪ ASM2 ▪ TSI | 7 | n/a | n/a | n/a | n/a | n/a |
| 28. Washington | ▪ ASM 25/25 | 107 | n/a | n/a | n/a | n/a | n/a |
| 29. Wisconsin | ▪ I/M 240 | 113 | 0.74 | 56 | n/a | n/a | n/a |

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** Calendar year 2000 data for Illinois, Ohio, and Missouri (whose I/M 240 program started April 5, 2000).

*** Data sources differed slightly (e.g., 218 vs. 220) on damage claim classifications and the number of claims paid.

**** Hybrid network. Other states using the I/M 240 test are centralized.

Source: Illinois Auditor General's survey of states for FY2000.

| RESOLVING DAMAGE CLAIMS | | |
|--------------------------------|---|--|
| State | Resolving Damage Claims | Arbitration |
| 1. Alaska | n/a | n/a |
| 2. Arizona | Claim filed with contractor | No |
| 3. California | Mediation by Bureau of Automotive Repair or in court | n/a |
| 4. Colorado | Claim filed with contractor | No, but State involved with rejected or contested claims |
| 5. D.C. | Arbitration | No |
| 6. Delaware | Claim filed with State | No |
| 7. Florida* | Claim with contractor | No |
| 8. Georgia | n/a | n/a |
| 9. <i>Illinois</i> | <i>Paid on spot, Claim Evaluation Center</i> | <i>Yes – Better Business Bureau</i> |
| 10. Indiana | Claim filed with contractor, paid on spot | No |
| 11. Kentucky-Frankfurt | Paid on spot, evaluations | Yes – Better Business Bureau |
| Kentucky-Louisville | Paid on spot, small claims court | No. Air Pollution Control District will arbitrate |
| 12. Maine | n/a | n/a |
| 13. Maryland | Paid on spot, evaluations | Yes – Better Business Bureau |
| 14. Massachusetts | n/a | n/a |
| 15. Missouri | Paid on spot, Claim Evaluation Center, 2 nd evaluation by AAA if approved by State | Yes – Better Business Bureau or small claims court |
| 16. Nevada | n/a | n/a |
| 17. New Jersey | n/a | n/a |
| 18. New Mexico | Risk management if tested at government facility or with private contractor | n/a |
| 19. New York | Department of Motor Vehicles investigation | No |
| 20. North Carolina | n/a | n/a |
| 21. Ohio | File claim with contractor | Yes – Better Business Bureau |
| 22. Oregon | Tort claim with State | No |
| 23. Rhode Island | n/a | n/a |
| 24. Tennessee | Handled by contractor | No |
| 25. Texas | n/a | n/a |
| 26. Utah-Spanish Fork | n/a | n/a |
| Utah-Ogden | n/a | No |
| Utah-Salt Lake City | Handled by stations | n/a |
| 27. Virginia | n/a | n/a |
| 28. Washington | Contractor responsible | No |
| 29. Wisconsin | Claims reported to contractor, unresolved claims investigated by State | Yes – Dispute Resolution Procedure |

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 Source: Illinois Auditor General’s survey of states for FY2000.

| MONITORING AND CONTROLS | | | | |
|-------------------------|--|-------------------------------------|---|----------------------------|
| State | Complaint Oversight | Controls | Monitoring | Customer Survey ✓ = Yes |
| 1. Alaska | n/a | n/a | n/a | No |
| 2. Arizona | Minimal oversight | No | On-site personnel, site visits, reports, overt/covert audits | No |
| 3. California | n/a | Tracking System | Site visits, overt and covert audits, evaluations | No |
| 4. Colorado | State monitors, arbitrates, enforces | Reports | On-site personnel, site visits, reports, overt/covert audits, evaluation | ✓ |
| 5. D.C. | n/a | Yes | n/a | ✓ |
| 6. Delaware | n/a | Oversight task force | On-site personnel, site visits, overt and covert audits | ✓ |
| 7. Florida* | Contractor report to State | No | On-site personnel, site visits, reports, overt/covert audits, evaluation | ✓ |
| 8. Georgia | Escalated complaints enforcement | Contractor reports | Reports, evaluations | ✓ |
| 9. Illinois | <i>Can attend meeting w/contractor, review comments & claims</i> | <i>Agency hotline and web-site</i> | <i>On-site personnel, site visits, reports, overt audits, evaluations</i> | No |
| 10. Indiana | Monthly reports & spot checks | No | Site visits, overt audits, evaluations | No |
| 11. Kentucky-Frankfurt | Monitoring | No | On-site personnel, site visits, reports, overt/covert audits, evaluations | ✓ |
| Kentucky-Louisville | Air Pollution Control District (APC) | Complaints initialized at APC | Site visits, reports, overt and covert audits, evaluations | No |
| 12. Maine | n/a | n/a | n/a | n/a |
| 13. Maryland | Monitoring, Reports, Arbitration | On-site personnel, toll free number | On site personnel, site visits, reports, overt and covert audits, evaluations | ✓ |
| 14. Massachusetts | Registrars of vehicles, complaint receipt | n/a | Reports, overt audits, evaluations | ✓ |
| 15. Missouri | Weekly meetings | No, but form can be sent to state | Site visits, reports, overt and covert audits, evaluations | n/a |
| 16. Nevada | n/a | n/a | n/a | No |
| 17. New Jersey | n/a | n/a | On-site personnel, site visits, reports, overt/covert audits, evaluation | No |
| 18. New Mexico | n/a | n/a | n/a | n/a |
| 19. New York | n/a | 800 hotline | On-site personnel, site visits, reports, overt/covert audits, evaluation | No |
| 20. North Carolina | n/a | n/a | Overt and covert audits | No |
| 21. Ohio | Monitoring | None | On site personnel, site visits, reports, overt/covert audits, evaluation | ✓ |
| 22. Oregon | n/a | Response to all claims required | n/a | ✓ |
| 23. Rhode Island | Complaints made to Dept of Motor Vehicles | Audits | Site visits, reports, overt/covert audits, evaluations, inspections | ✓ |
| 24. Tennessee | Unresolved claims referred to the State | Monthly report review, hotline | On-site personnel, site visits, reports, overt and covert audits | No |
| 25. Texas | n/a | n/a | n/a | No |
| 26. Utah-Spanish F | n/a | n/a | n/a | ✓ |
| Utah-Ogden | n/a | No | Site visits, overt/covert audits | No |
| Utah-Salt Lake | n/a | n/a | n/a | No |
| 27. Virginia | n/a | Complaint filed with state | Site visits, overt and covert audits, queries for anomalies | No |
| 28. Washington | Monitor complaints | No | Reports, overt/covert audits | No |
| 29. Wisconsin | State monitors complaints | Report unresolved claims to state | Site visits, reports, overt and covert audits, evaluations | n/a |

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 Source: Illinois Auditor General's survey of states for FY2000. n/a = Not available or not applicable

| VIDEOTAPING | | | |
|------------------------|--------------------------------------|--|--|
| State | Is videotape used ✓ = Yes | Purpose | Can motorists view videotapes ✓ = Yes |
| 1. Alaska | No | n/a | n/a |
| 2. Arizona | ✓ | Security | No |
| 3. California | No | n/a | n/a |
| 4. Colorado | ✓ | Monitoring & enforcement | ✓ |
| 5. D.C. | ✓ | n/a | No |
| 6. Delaware | No | n/a | n/a |
| 7. Florida* | ✓ | Monitoring and helping resolve disputes | ✓ |
| 8. Georgia | No | n/a | n/a |
| 9. <i>Illinois</i> | ✓ | <i>Evidence gathering and monitoring</i> | <i>Generally no</i> |
| 10. Indiana | No | n/a | n/a |
| 11. Kentucky-Frankfurt | ✓ | Audit | ✓ |
| Kentucky-Louisville | ✓ | Safety back up for incidents | Not normally |
| 12. Maine | No | n/a | n/a |
| 13. Maryland | ✓ | Deter robbery | No |
| 14. Massachusetts | ✓ | Auditing | No |
| 15. Missouri | ✓ | Visual record | ✓ |
| 16. Nevada | n/a | n/a | n/a |
| 17. New Jersey | No | n/a | n/a |
| 18. New Mexico | No | n/a | n/a |
| 19. New York | ✓ | Auditing | n/a |
| 20. North Carolina | No | n/a | n/a |
| 21. Ohio | No | n/a | n/a |
| 22. Oregon | No | n/a | n/a |
| 23. Rhode Island | No | n/a | n/a |
| 24. Tennessee | No | n/a | n/a |
| 25. Texas | No | n/a | n/a |
| 26. Utah-Spanish Fork | n/a | n/a | n/a |
| Utah-Ogden | No | n/a | n/a |
| Utah-Salt Lake City | ✓ | Undercover-compliance | n/a |
| 27. Virginia | No | n/a | n/a |
| 28. Washington | No | n/a | n/a |
| 29. Wisconsin | ✓ | Ensures Quality Assurance | ✓ |

D.C. = District of Columbia
 *Florida discontinued its vehicle emissions testing program on July 1, 2000.
 Source: Illinois Auditor General’s survey of states for FY2000.

n/a = Not available or not applicable

APPENDIX D

IEPA's Monitoring Forms



TEST PROCEDURE MONITOR

| | | | | | |
|-----------------|---------------|-----------|------|-----------|-------|
| Station # _____ | Plate # _____ | Number | Name | Lane Pos. | Match |
| Lane # _____ | Make _____ | Insp. "A" | | | Y N |
| Date _____ | Model _____ | Insp. "B" | | | Y N |
| Time _____ | VIN _____ | Insp. "C" | | | Y N |

| | | | |
|-----------------------------------|--|-------------------------------------|-------------------------|
| Proper wait time entry? YES NO | Visual pre-test safety inspection? YES NO | Escort motorist to booth? YES NO | Verify VIN? YES NO |
| | | | Verify odometer? YES NO |

| | | | |
|--|--|--------------------------|--|
| Gas cap test PASS FAIL | Proper test for vehicle? YES NO IM240 Idle Contact Non-contact Other: _____ OBD test performed? YES NO | Cooling fan used? YES NO | Number of traces _____ Proper test Procedure YES NO Restraint travel >1/2 <1/2 0 Drive: Front Rear AWD (full time) Engaged Traction |
| Engine off? YES NO | | Temperature _____ | |
| Dual caps? YES NO | | Dual tailpipe? YES NO | |
| If fail, was 2 nd chance given? YES NO | | Dual exhaust? YES NO | |
| Reject entered? YES NO | | Probes/hoses used 1 2 | |
| | | Muzzle(s) used? YES NO | |
| | | 10" probe? YES NO N/A | |

| | | | |
|---|---|--|--|
| Overall test results: PASS FAIL FAST PASS REJECT PASS w/pre-conditioning | VIR quality GOOD BAD Given to motorist by: Insp. A B C _____ | Failure packet provided? YES N/A NO Given to motorist by: Insp. A B C _____ | Escort motorist back to vehicle? YES NO |
|---|---|--|--|

Comments:

| | |
|------------------------------------|-----------------------------------|
| Illinois EPA Rep. (print) _____ | Illinois EPA Rep. signature _____ |
| Station Management signature _____ | Date ____/____/____ # ____/____ |



CUSTOMER SERVICE MONITOR

| | | | |
|--------------|------------|-------------|----------------|
| Date | Start time | Finish time | Station number |
| Plate number | CSP name | CSP number | |

If there are three or more customers waiting for service, are there are at least two Customer Service Providers (CSP) waiting on them? (§6.7.2.18D) yes no *If no, explain:*

| |
|----------------------------|
| Motorist question/problem: |
| |
| |
| |
| CSP answer/resolution: |
| |
| |
| |

| Did the CSP respond correctly in the following applicable areas? (§5.4.2) | | | |
|---|------------------------------|-----------------------------|------------------------------|
| 1. Distribute printed information. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 2. Explain test results, test process and related matters. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 3. Perform waiver inspection and related activities. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 4. Perform gas cap only re-inspection. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 5. Issue duplicate VIR. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 6. Issue exemption for diesel-fueled vehicle. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 7. Perform recall campaign overrides. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 8. Correct certain fields. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |
| 9. Provide information about emission control component warranties. | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> N/A |

If any of the above were no, explain specifically what was done incorrectly:

| |
|--|
| |
| |
| |
| |

Was the above service provided without interruption? (§6.7.2.18C) yes no *If no, why and for how long was service interrupted?*

| |
|--|
| |
| |

| | |
|------------------------------------|---------------------------------|
| State Inspector (print) _____ | State Inspector signature _____ |
| Station Management signature _____ | Date ____/____/____ # ____/____ |



NOTICE OF VIOLATION OF CUSTOMER SERVICE PROCEDURES (§6.7.2.18)

This is to notify Station Management that a violation of Customer Service Procedures was observed by a representative of the Illinois Environmental Protection Agency.

| | | | |
|------|------|----------------|--------------|
| Date | Time | Station number | Plate number |
|------|------|----------------|--------------|

The observed violation occurred in the following area of §6.7.2.18:

| | |
|----|---|
| A. | Two personnel certified as Customer Service Providers were not available at this inspection station during all operating hours. |
|----|---|

| | |
|----|--|
| B. | A Customer Service Provider failed to provide service without delay when one or more motorists required one of the functions of a Customer Service Provider. |
|----|--|

| | |
|----|--|
| C. | Upon initiation of service, uninterrupted service was not provided as long as motorists were waiting in the customer service area. |
|----|--|

| | |
|----|---|
| D. | Three or more motorists were in line waiting for a Customer Service Provider and only one CSP was currently providing the customer service function, and a second CSP failed to begin performing customer service functions as soon as practicable. |
|----|---|

| | |
|--|------------|
| Illinois EPA Representative (print name) _____ | |
| Illinois EPA Representative's signature _____ | Date _____ |
| Station Management (print name) _____ | |
| Station Management signature _____ | Date _____ |

VCSP

Continued on reverse? yes no

WAIVER / DENIAL DEFICIENCY COVER SHEET



| | | |
|----------------|---|------------|
| Station number | Date waiver issued or denied | CSP number |
| Plate Number | VIN (last 3 digits) | |
| ✓ | Indicate all reasons the waiver or denial is deficient; explain thoroughly in comment section. | |
| | Customer Service Provider did not complete denial process. | |
| | Customer Service Provider did not perform vehicle inspection. | |
| | Vehicle did not have all air pollution control devices connected and operating. | |
| | The minimum expenditure for emissions-related repairs has not been met. <i>(Provide specific details below)</i> | |
| | A recognized repair technician did not perform repairs (1981 and newer vehicles). | |
| | Receipt(s) not acceptable. <i>(Provide specific details below)</i> | |
| | Repair receipt detail – show allowable repair cost. | |
| | All work that was needed was not performed. | |
| | All warranty work was not completed. | |
| | Other <i>(explain fully below)</i> | |

Comments:

| | |
|---------------------------------|---------------------|
| State Inspector (print) _____ | Reviewed by _____ |
| State Inspector signature _____ | Date ____/____/____ |
| Date ____/____/____ | |

LANE DOWNTIME REPORT



| | | |
|------------|-----------------------------------|----------------------|
| Date _____ | Time lane was not available _____ | Station number _____ |
|------------|-----------------------------------|----------------------|

CHECK APPROPRIATE BOX(ES) BELOW

| | |
|--|--|
| Computer system (data entry booth) | Dynamometer <input type="checkbox"/> restraints <input type="checkbox"/> air compressor |
| Gas cap tester | <input type="checkbox"/> other: _____ |
| Analyzer <input type="checkbox"/> IM240 <input type="checkbox"/> Idle | VIR printer |
| Analyzer <input type="checkbox"/> failed calibration <input type="checkbox"/> leak check | RDR printer |
| Out of calibration gas | Bar code scanner |
| Sample hoses <input type="checkbox"/> CVS hoses <input type="checkbox"/> probes | Overhead doors |
| CVS blower unit | OBD system |
| Cooling fans | Other (explain) _____ |

Note specific problems or equipment failures in comment section

| | |
|--|--|
| Was there a vehicle in the lane when the lane went down? | <input type="checkbox"/> yes <input type="checkbox"/> no plate number _____ |
| Was the vehicle moved to another lane? | <input type="checkbox"/> yes <input type="checkbox"/> no lane number _____ |
| How long did the motorist have to wait to be tested? | Time: _____ |

REPAIR INFORMATION

| | |
|--|--|
| Repairs completed by: <input type="checkbox"/> lane inspector <input type="checkbox"/> station management <input type="checkbox"/> repair technician <input type="checkbox"/> vendor | |
| If technician was not at station, when was he/she called? | Date _____ Time _____ |
| When did technician arrive at station to repair problem? | Date _____ Time _____ |
| If a part was needed, did the technician have the part? | <input type="checkbox"/> yes <input type="checkbox"/> no |
| If part was not available, what action was taken to acquire the part? <i>(note in comment section below)</i> | |
| Did the part have to be ordered? | <input type="checkbox"/> yes <input type="checkbox"/> no |
| If the part was ordered, when did the technician return to install part? | Date _____ Time _____ |
| What repair was made to the lane? <i>(note in comment section below)</i> | |
| When were repairs complete and the lane operational? | Date _____ Time _____ |

COMMENTS

| |
|--|
| |
| |
| |
| |
| |
| |

| | |
|------------------------------------|---------------------------------|
| State Inspector (print) _____ | State Inspector signature _____ |
| Station Management signature _____ | Date ____/____/____ # ____/____ |

LDR

Continued on reverse? yes no



DAILY STATION MAINTENANCE REPORT

| | | |
|------------|----------------------|--|
| Date _____ | Station number _____ | Flags up? <input type="checkbox"/> yes <input type="checkbox"/> no |
|------------|----------------------|--|

| <i>Are the following in working order? If not, note problem in comment section below.</i> | | AM | PM |
|---|--|--|--|
| Ticket Dispenser | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Gate | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Assisting Motorist | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Customer waiting booths clean, chairs straight, literature rack filled? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Monitors in customer waiting booth clean and working? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Lobby clean, chairs straight, literature rack filled? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Lobby washroom clean; sufficient towels, soap, etc.? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Employee washrooms clean; sufficient towels, soap, etc.? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Break room, kitchen, refrigerator, etc. clean? | | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Surveillance System | Is tape in VCR and running? | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| | Is monitor date/time display accurate? | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| | Are cameras working? | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |
| | Are cameras properly positioned? | <input type="checkbox"/> yes <input type="checkbox"/> no | <input type="checkbox"/> yes <input type="checkbox"/> no |

Comments:

| | |
|------------------------------------|---------------------------------|
| State Inspector (print) _____ | State Inspector signature _____ |
| Station Management signature _____ | Date ____/____/____ # ____/____ |

PROBLEM REPORT

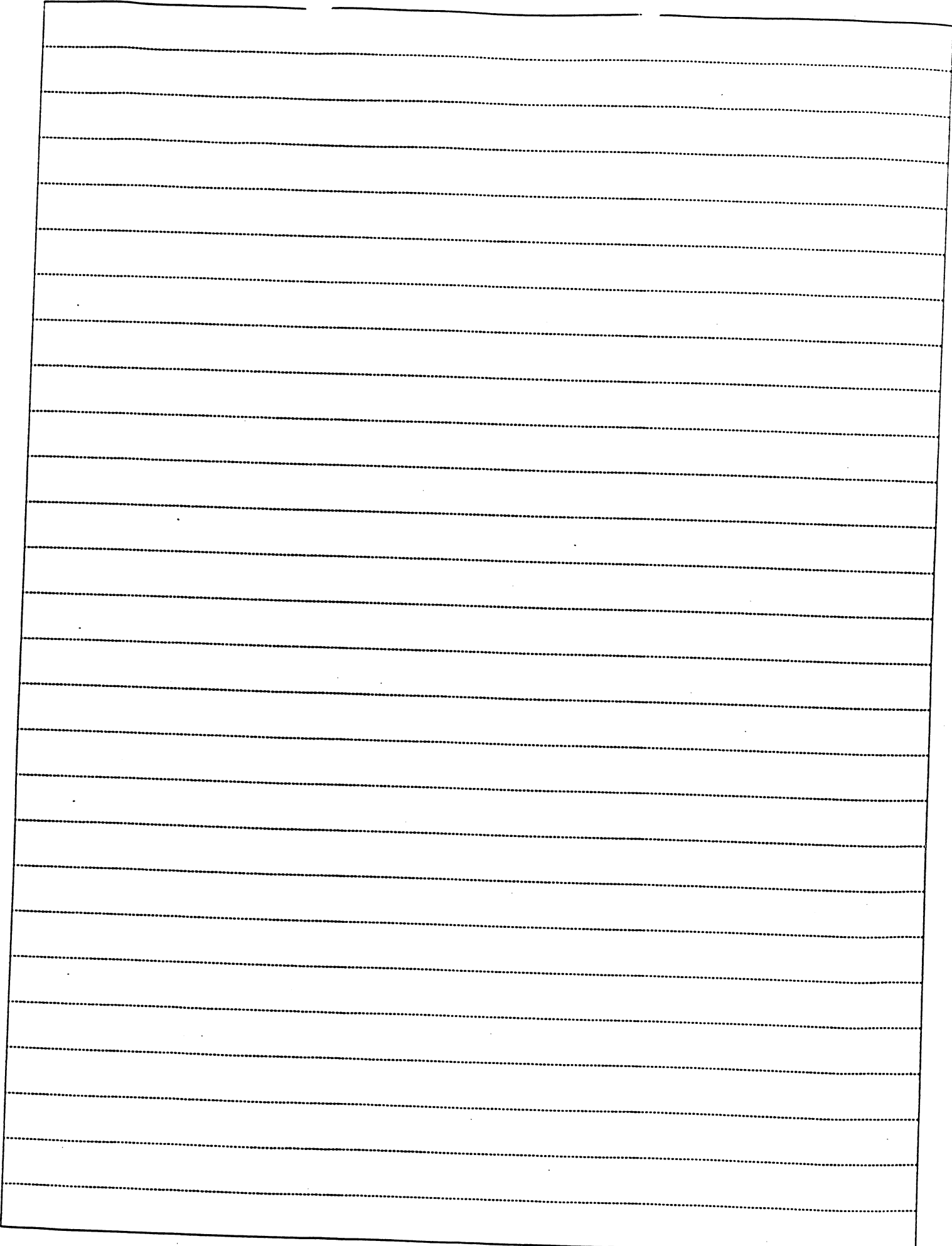
Be as specific as possible about the problem being reported.
Indicate "DNA" for items that *do not apply*.
PLEASE PRINT



Illinois Vehicle Emissions Test Program

| | | | |
|--|-------------------|-------------------------------|--------------------|
| Date | Time | Station No. | Lane No. |
| Plate or VIN | | Person Reporting Problem | |
| Motorist's Name | | | |
| Address | | | |
| City | | State | Zip |
| Home Phone () | Work Phone () | Pager () | Other Phone () |
| Envirotest Personnel Involved | | | |
| | | | |
| Envirotest Management Personnel Involved | | | |
| | | | |
| Envirotest Personnel Contacted | | | |
| | | | |
| Illinois EPA Personnel Involved | | | |
| | | | |
| Problem | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Corrective Action Taken / By Whom? | | | |
| | | | |
| | | | |
| | | | |
| Outcome | | | |
| | | | |
| | | | |
| Further Action Required | | | |
| | | | |
| | | | |
| Illinois EPA Rep. Signature | | Supervisory Review / Approval | |

Continued on reverse? Yes No



NEW HIRE / CERTIFICATION MONITOR



| | | |
|------------|--------------------|----------------------|
| Name _____ | Date of hire _____ | Station number _____ |
|------------|--------------------|----------------------|

| Day | Date | Training Hours | Activity |
|-----|------|----------------|----------|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |

| | |
|------------------------------------|--------------------------|
| Date of Certification _____ | Employee ID number _____ |
| Trainer's signature _____ | |
| Station Management signature _____ | |

| |
|----------|
| Comments |
| |
| |
| |

| | | |
|------------------------------------|---------------------------------|---------------------------------|
| State Inspector (print) _____ | State Inspector signature _____ | Date ____/____/____ # ____/____ |
| Station Management signature _____ | | |

APPENDIX E

**Illinois Auditor General's Surveys
of Motorists
and States**

March 20, 2001

Name
Address
City, State, ZIP

Dear Vehicle Owner:

We are asking you to help us in our review of the State’s vehicle emissions testing program by voluntarily completing the attached questionnaire. The questionnaire should only take a few minutes to complete and can be returned to us in the enclosed self-addressed, postage-paid envelope.

Individual responses will be kept confidential. We would appreciate if you would return the completed questionnaire by **April 5, 2001**.

I look forward to receiving your completed questionnaire. Thank you for assisting us in our review.

Yours truly,

WILLIAM G. HOLLAND
Auditor General

Enclosure

| ILLINOIS VEHICLE EMISSIONS TESTING PROGRAM SURVEY QUESTIONNAIRE | | | | | | |
|--|---|------------------|---------------------------|---------------------|--------------------------|-------------------|
| 1. Records indicate that in February 2001 your vehicle with license plate number ABC123 was tested at the Air Team’s Chicago 114 th Street facility. Is this information correct? | <input type="checkbox"/> YES <input type="checkbox"/> NO – Please provide the correct information: _____ | | | | | |
| Check (T) Appropriate Box | | | | | | |
| 2. Please rate your level of satisfaction with how personnel at the testing facility: | VERY SATISFIED | SATISFIED | SOMEWHAT SATISFIED | DISSATISFIED | VERY DISSATISFIED | NO OPINION |
| A. answered any questions you had | | | | | | |
| B. were courteous to you | | | | | | |
| C. knew how to operate your vehicle | | | | | | |
| D. took care of your vehicle | | | | | | |
| 3. Overall, what was your level of satisfaction with how the test was conducted? | | | | | | |
| 4. Did you have any positive or negative comments at the time the test was conducted about how your vehicle was tested? | <input type="checkbox"/> YES – Please complete the rest of Question 4 <input type="checkbox"/> NO – Please go to <u>Question 5</u> | | | | | |
| A. What comments did you have (such as compliments or complaints) concerning how your vehicle was tested? | _____ _____ _____ <p style="text-align: right; margin-top: 10px;"><i>Please use the reverse side of the questionnaire, if necessary ➡</i></p> | | | | | |
| B. To whom did you communicate your comments? | <input type="checkbox"/> Testing facility personnel <input type="checkbox"/> Illinois Environmental Protection Agency <input type="checkbox"/> No one – Please go to <u>Question 5</u> <input type="checkbox"/> Other (Please specify): _____ | | | | | |
| C. Did you communicate your comments verbally or in writing (e.g. complete a comment form)? | <input type="checkbox"/> Verbally <input type="checkbox"/> Writing | | | | | |
| 5. Would you like a summary of the results of this survey? If you would, please check this box: <input type="checkbox"/> | <ul style="list-style-type: none"> • Please use the reverse side of this survey questionnaire if you have additional comments you would like to make (such as compliments or complaints about the emissions testing process). • Your individual responses will be kept confidential. • Please return this survey questionnaire in the enclosed, postage-paid, envelope by April 5, 2001. • Thank you for helping the State of Illinois evaluate the quality of service provided to you. | | | | | |

February 23, 2001

Name of Program Manager
Title
Agency
Address
City, State ZIP

Dear _____:

The Illinois Auditor General has been requested by the State legislature to conduct a management audit of Illinois’ vehicle emissions testing program. The resolution requesting the audit specifically calls for comparing Illinois’ I/M 240 test with other states’ vehicle emissions tests. Therefore, we are conducting this survey and request you to join the other states in providing information about your state’s vehicle emissions testing program.

Testing vehicle emissions has been a topic of public interest in some states which may include your state as well. The audit resolution asks us to review Illinois EPA’s process for monitoring contractor performance, training, and complaints.

We are requesting that you complete this survey questionnaire and return it by **March 15, 2001**. Your completed questionnaire and any documents your state provides will become public information on the date the audit is released. If any information is not available, write N/A. Please attach additional pages as needed. For certain specified questions, we would appreciate receiving your applicable policies and procedures. A self-addressed return envelope is enclosed for your convenience.

In appreciation for completing the survey questionnaire, we would be happy to provide you with a copy of the audit report. The report will contain information about other states which may be useful in comparing your state’s vehicle emissions testing program.

We sincerely appreciate your time and assistance. If you have any questions, you may contact audit manager Jim Kincaid (oag37@mail.state.il.us) or myself (oag26@mail.state.il.us) at 217/782-6046. Thank you for your assistance.

Sincerely,

Ameen Dada
Audit Manager

**Illinois Auditor General’s Survey of States
VEHICLE EMISSIONS TESTING PROGRAM**

*Enclosed is a self-addressed envelope, please return the completed survey by **March 15, 2001** to:*

Ameen Dada, Audit Manager FAX: (217) 785-8222

Illinois Auditor General’s Office

740 East Ash Street

Springfield, IL 62703-3154

YOUR NAME AND TITLE:

ORGANIZATION:

ADDRESS:

CITY, STATE, ZIP:

TELEPHONE NUMBER: ()

FAX NUMBER: ()

E-MAIL ADDRESS:

The questions in this survey pertain to the following time period: July 1, 1999 to June 30, 2000. If it is difficult for you to provide data for this time period (e.g., your state has a different fiscal year), please specify the time period for which you are providing this information:

Attach additional pages as needed (remember to write the question number).

| <p>1. PROGRAM. Does your State have a program to test vehicle emissions?</p> | <p>_____ No – Please sign here and fax this page to (217) 785-8222: _____</p> <p>_____ Yes – Please continue answering the remaining questions.</p> | | | | | | | | | | | | | |
|--|---|--|-------------------|---------|--|-----------------------------|--|------|--|----------------|--|-------------------------------|--|--|
| <p>2. TYPE OF PROGRAM. Is your state’s program centralized, decentralized, or hybrid? Does your state do basic or enhanced testing? <input checked="" type="checkbox"/> <i>If your program is decentralized, some questions in this questionnaire may not be applicable.</i></p> | <p>_____ Centralized</p> <p>_____ Hybrid – Please explain:</p> <p>_____ Decentralized</p> | <p>_____ Basic Testing</p> <p>_____ Enhanced Testing</p> | | | | | | | | | | | | |
| <p>3. PROGRAM CHANGE. Has your state’s program always been the one identified above or has it ever changed?</p> | <p>_____ Always same type of program</p> <p>_____ Type of program has changed – Please explain why the program was changed:</p> | | | | | | | | | | | | | |
| <p>4. OPERATOR. If your state’s program is centralized, are vehicles tested by a private contractor or by a state agency?</p> | <p>_____ Vehicles are tested by a private contractor (if multiple contractors, write the number of contractors here _____ and provide this information for each contractor on an attached sheet).</p> <p>▪ Contractor name: _____</p> <p>▪ Effective dates of current contract: _____ to _____</p> <p>▪ Who owns the facilities and equipment? _____ Contractor _____ State</p> <p>_____ Vehicles are tested by a state agency.</p> <p>▪ Agency name: _____</p> | | | | | | | | | | | | | |
| <p>5. CURRENT TEST. What type of test is currently used to inspect vehicle emissions?</p> | <table border="1"> <thead> <tr> <th>Test</th> <th>Date test started</th> </tr> </thead> <tbody> <tr> <td>I/M 240</td> <td></td> </tr> <tr> <td>ASM – Please specify: _____</td> <td></td> </tr> <tr> <td>Idle</td> <td></td> </tr> <tr> <td>Remote Sensing</td> <td></td> </tr> <tr> <td>Other – Please specify: _____</td> <td></td> </tr> </tbody> </table> | Test | Date test started | I/M 240 | | ASM – Please specify: _____ | | Idle | | Remote Sensing | | Other – Please specify: _____ | | |
| Test | Date test started | | | | | | | | | | | | | |
| I/M 240 | | | | | | | | | | | | | | |
| ASM – Please specify: _____ | | | | | | | | | | | | | | |
| Idle | | | | | | | | | | | | | | |
| Remote Sensing | | | | | | | | | | | | | | |
| Other – Please specify: _____ | | | | | | | | | | | | | | |

| | | |
|--|--|-------------------|
| 6. EXEMPTIONS. What new vehicles are exempt from the test (e.g., vehicles up to 2-or 4-model years)? | | |
| 7. PRIOR TESTS. What other tests has your state used? Attach additional pages as necessary. | _____ No other vehicle emissions test has been used by our state. | |
| | Prior Test Name | |
| | Dates Used | |
| | Reason for Changing | |
| 8. FAST-PASS. Does your test have a fast-pass procedure and if it does, what percent of vehicles fast-pass? | _____ Yes – Please specify how much time fast-pass takes (e.g., 31 seconds): _____ What percent of vehicles fast-pass? _____% _____ No | |
| 9. FUTURE PLANS. Does your state have any plans to change to a different type of test (e.g., greater emphasis on onboard diagnostic testing)? | _____ Yes – Please specify: _____ No | |
| 10. TEST CYCLE. How often is a vehicle’s emissions required to be tested by your state? | _____ Annual testing _____ Biennial testing _____ Testing whenever vehicle ownership changes _____ Other – Please specify: | |
| 11. FACILITIES. How many test facilities does your state have? | Number of testing facilities | |
| | Number of lanes | |
| 12. WAIT TIME. What was the average wait time and test times for your motorists (during the time period July 1, 1999 to June 30, 2000)? | ■ Wait time (time motorist reached facility to beginning of test): _____ minutes ■ Testing time (time from beginning of test to time motorist can leave): _____ minutes | |
| 13. OWNER OBSERVATION. If your state has an I/M 240 or ASM test, are vehicle owners permitted to sit in the vehicle during the emissions test? | _____ Yes – How are motorists informed they are permitted to sit in the vehicle? _____ No | |
| 14. INSPECTORS. How many lane inspectors are required to perform the I/M 240 test on each vehicle (e.g., 1,2,3)? | | |
| 15. FUNDING. How is this program funded? | _____ Federal funding _____ State funding – Source of state funds: _____ Fuel tax _____ Fee charged to motorist _____ Fee included in license registration fees _____ Other – Please specify: | |
| 16. COST. What was the cost of having vehicles’ emissions tested (during the time period July 1, 1999 to June 30, 2000)? | Cost to the motorist for each vehicle whose emissions were tested | \$ _____ /vehicle |
| | Cost to your state for each vehicle whose emissions were tested | \$ _____ /vehicle |

| | | |
|---|---|----------------------|
| | Other total cost to your state for administering this program | \$ |
| | Total number of vehicle emissions tests performed by your state | |
| | Number of state employees working on this program | |
| 17. REMINDERS. How much time is provided to vehicle owners to have the test performed after the due date? How many notices are sent? | <input type="checkbox"/> Initial notice <input type="checkbox"/> Reminder notice <input type="checkbox"/> Warning of license suspension <input type="checkbox"/> Final notice <input type="checkbox"/> Registration denial <input type="checkbox"/> Other – <i>Please specify:</i> | TIME PROVIDED |
| 18. PENALTY. What is the penalty to the owner for not having the vehicle’s emissions tested? When is the penalty imposed? | <input type="checkbox"/> Registration denial <input type="checkbox"/> Registration suspension <input type="checkbox"/> License suspension <input type="checkbox"/> Other – <i>Please specify:</i> | WHEN PENALTY IMPOSED |
| 19. VEHICLES EXEMPTED. What vehicles are exempted from the test? | <input type="checkbox"/> Vehicles older than 19 _____ <input type="checkbox"/> Diesel powered vehicles <input type="checkbox"/> Farm vehicles (<i>e.g., tractors</i>) <input type="checkbox"/> Vehicles over _____ lbs. <input type="checkbox"/> Motorcycles <input type="checkbox"/> Other – <i>Please specify:</i> | |
| 20. WAIVERS. Who is eligible for a waiver and what is your state’s waiver rate? (<i>For example, are waivers given to motorists who make applicable repairs over \$450 but still don’t pass the test, or to low income persons whose vehicle fails the test?</i>) | | |
| 21. LOW INCOME. Does your state have a program to assist low income motorists whose vehicle emissions need to be repaired? | <input type="checkbox"/> Yes – <i>Please describe:</i> <input type="checkbox"/> No | |
| 22. EXEMPTION. For what reasons can vehicles registered in the test area be exempted from emissions testing? | <input type="checkbox"/> Junked <input type="checkbox"/> Not driven in test area <input type="checkbox"/> Other – <i>Please specify:</i> | |
| 23. VERIFICATION OF EXEMPTIONS. What controls or checks does your state have to ensure that vehicle owners seeking an exemption have a valid reason and are not lying to avoid being tested? | | |
| 24. SALARY. What is the average starting salary of new vehicle emissions lane inspectors? | \$ _____/hour | |
| 25. TURNOVER. What is the annual turnover rate for lane inspectors? | _____ % | |
| 26. INCENTIVES. Does your state provide incentives to motivate lane inspectors (<i>e.g., competition among inspectors</i>)? | | |
| 27. TRAINING. What training, education, and experience is required to become a lane inspector? (<i>Details on the specific courses would be helpful.</i>) | Hours of classroom training | |
| | Hours of hands-on field training | |
| | Other training – <i>Please specify</i> | |

| | | |
|--|---|-----------------------------|
| | Prior years of related experience | |
| 28. SUPERVISORS. As compared to lane inspectors, what additional experience, training, or certification is required of supervisors of lane inspectors? | | |
| 29. TRAINER. Who provides training to lane inspectors and their supervisors? | _____ State _____ Contractor _____ College _____ Other – <i>Please specify:</i> | |
| 30. CERTIFICATION. Are lane inspectors and their supervisors certified? | _____ Yes – <i>Who issues the certification (e.g., state, college, contractor)?</i> _____ _____ No | |
| 31. RECERTIFICATION. Are inspectors and supervisors required to be recertified after a certain number of years? | _____ Yes – <i>Recertification is required after __ years for inspectors and __ years for supervisors.</i> ■ <i>How many hours of training is required to be recertified?</i> _____ ■ <i>What training courses are required to recertify?</i> _____ No | |
| 32. TRAINING VERIFICATION. How does your state verify that lane inspectors and their supervisors have the required training and certification? | | |
| 33. CUSTOMER SERVICE COUNTER. If your state has a centralized program, what training is provided to the employees at the customer service counter who deal with customers? | | |
| 34. CUSTOMER SERVICE. What information do your customer service representatives provide to waiting motorists about the vehicle emissions test (<i>e.g., explain that testing is normally noisy, any repairs needed will improve car mileage</i>)? | ✓ <i>Please provide us any public policies or scripts that are used.</i> | |
| 35. COMPLAINTS. How many complaints were filed (during the time period July 1, 1999 to June 30, 2000)? | TYPE OF COMPLAINT | NUMBER OF COMPLAINTS |
| | Program unnecessary | |
| | Wait time | |
| | Personnel | |
| | Vehicle damage | |
| | Other | |
| 36. FILING CLAIMS. What is the process for filing damage claims? (<i>For example, filing a claim form and submitting it to the contractor or the state.</i>) | ✓ <i>Please provide us any applicable policies and procedures.</i> | |
| 37. DAMAGE CLAIMS. How many motorists filed claims about damage to their vehicle due to the emissions test (during the time period July 1, 1999 to June 30, 2000)? | Number of damage claims filed | |
| | Number of damage claims paid | |
| | Damage claim rate | _____/10,000 |
| | Number of claims denied who appealed | |
| | Average paid for damage claim | \$ |

| | |
|--|---|
| <p>38. CLAIM AMOUNT. If your state uses a contractor, does your state get information on the dollar amount of damage claims filed and paid?</p> | <p><input type="checkbox"/> Yes – <i>Can the following damage claim information be released to the public, such as under the Freedom of Information Act (please check all applicable):</i> <input type="checkbox"/> Dollar amount of damage claims <input type="checkbox"/> Number of claims filed <input type="checkbox"/> Average claim amount? <input type="checkbox"/> No</p> |
| <p>39. RESOLVING CLAIMS. What is the process for resolving damage claims, including paying for any damages? (For example, small claims are paid on the spot, large claims need independent evaluation, motorists can go to binding arbitration with the Better Business Bureau.)</p> | <p><input checked="" type="checkbox"/> Please provide us any <u>applicable</u> policies and procedures.</p> |
| <p>40. ARBITRATION. Does your damage claim process include the option of binding arbitration in place of going to a court of law?</p> | <p><input type="checkbox"/> Yes – <i>Please specify the entity used (e.g., Better Business Bureau, State agency):</i> <input type="checkbox"/> No</p> |
| <p>41. COMPLAINT OVERSIGHT. If the program is run by a contractor, what is the state’s role in the complaint process (e.g., monitoring, reporting, arbitrating)?</p> | |
| <p>42. CONTROLS. Does your state have controls to ensure it receives all complaints filed by motorists (i.e., what controls ensure complaints are not discarded by test facility personnel)?</p> | <p><input type="checkbox"/> Yes – <i>Please describe the controls in place:</i> <input type="checkbox"/> No</p> |
| <p>43. DAMAGE CLAIMS. What information is available on request to motorists who file a complaint regarding damage to their vehicle?</p> | <p><input type="checkbox"/> Computer printout of test <input type="checkbox"/> Videotape <input type="checkbox"/> Other – <i>Please specify:</i></p> |
| <p>44. VIDEOTAPING. Are vehicles videotaped during emissions testing?</p> | <p><input type="checkbox"/> Yes – <i>What is the purpose of videotaping or how is the videotape used?</i> – <i>Can a motorist see the videotape?</i> <input type="checkbox"/> No</p> |
| <p>45. DAMAGE. How does your state ensure that damage to vehicles is minimized?</p> | |

| | | | | | |
|--|--|-------------------|--------------------|---------------------|--|
| <p>46. MONITORING. How does your state monitor the contractor to determine the program is accomplishing its goals and that problems are resolved? <i>(Please check all that apply.)</i></p> | <p><input type="checkbox"/> On-site presence of state employees at testing facilities</p> <p><input type="checkbox"/> Site visits by program personnel working for the state</p> <p><input type="checkbox"/> Reporting by contractor</p> <p><input type="checkbox"/> Reporting by program supervisors/managers who work for the state</p> <p><input type="checkbox"/> Overt audits by the state</p> <p><input type="checkbox"/> Covert audits/surveillance by the state</p> <p><input type="checkbox"/> Program evaluations</p> <p><input type="checkbox"/> Other – <i>Please specify:</i></p> | | | | |
| <p>47. CUSTOMER SURVEY. Does your state provide motorists a customer survey to evaluate the service provided?</p> | <p><input type="checkbox"/> Yes – <i>Please specify:</i></p> <p><input type="checkbox"/> No</p> | | | | |
| <p>48. LIQUIDATED DAMAGES. Can fines/liquidated damages be imposed on the contractor for failure to perform as agreed <i>(e.g., for excessive wait time)</i>?</p> | <p><input type="checkbox"/> Yes – <i>Please specify:</i></p> <p><input type="checkbox"/> No</p> | | | | |
| <p>49. EFFECTIVENESS. How do you assess the effectiveness of the vehicle emissions testing program in improving your state’s air quality?</p> | | | | | |
| <p>50. REPORTS. Has your state prepared any reports, evaluations, or audits regarding the vehicle emissions testing program?</p> | <p><input type="checkbox"/> Yes – <i>Please send us a copy or provide specifics on how we may obtain it.</i></p> <p><input type="checkbox"/> No</p> | | | | |
| <p>51. TEST SATISFACTION. How satisfied is your agency with the current test? <i>(Please include any comments regarding your level of satisfaction in Question # 49.)</i></p> | <p>I/M 240</p> | <p>ASM</p> | <p>Idle</p> | <p>Other</p> | |
| | <p>Very satisfied</p> | | | | |
| | <p>Mostly satisfied</p> | | | | |
| | <p>Satisfied</p> | | | | |
| | <p>Somewhat satisfied</p> | | | | |
| <p>Not satisfied</p> | | | | | |
| <p>52. BEST PRACTICES. What does your state do relating to the vehicle emissions testing program that is exceptional and could be considered for adoption by other states? <i>(For example, open house, publications, web site, pilot programs, awards to best inspectors, free gas caps if missing, paying for 2nd test done for statistical purposes, etc.)</i></p> | | | | | |

| | |
|--|--|
| <p>53. COMMENTS. Are there any other comments that your agency would like to make about your state’s vehicle emissions testing program, such as level of satisfaction, lessons learned or things to avoid?</p> | |
| <p>54. CONTACT PERSON. If we have questions, may we contact you or a designate for further information?</p> | <p><input type="checkbox"/> Contact me</p> <p><input type="checkbox"/> Please contact:</p> <p>▪ Name/Title: _____</p> <p>▪ Phone: _____ Fax: _____ E-mail: _____</p> |
| <p>55. AUDIT REPORT. If you would like to receive this audit report when it is released, please indicate your preference.</p> | <p><input type="checkbox"/> Executive Summary</p> <p><input type="checkbox"/> Full Report (includes executive summary)</p> <p><input type="checkbox"/> E-mail link [<i>fastest way to receive full report</i>] at: _____</p> |
| <p>✍ SIGNATURE. Thank you for providing information on your state’s vehicle emissions testing program. If you have any policies and procedures for managing and monitoring the program’s contractor, inspector training, and motorist complaints, we would appreciate receiving a copy (<i>if it is a public document</i>).</p> | |
| <p style="text-align: center;">Your Signature</p> | <p style="text-align: center;">Date</p> |

APPENDIX F

Response to Audit Report by Illinois Environmental Protection Agency and Secretary of State



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276

RENEE CIPRIANO, DIRECTOR

September 24, 2001

William G. Holland
Auditor General
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

Dear Mr. Holland:

Thank you for the opportunity to provide responses to the Office of the Auditor General's *Report of the Management Audit of the Illinois Environmental Protection Agency's Vehicle Emission Testing Program*. We have accepted all recommendations and have already taken steps to implement many of them. Some of our recent actions include the following:

- In addition to the current structure to monitor contractor performance, the Agency has taken over the responsibility to certify the contractor's lane inspectors and to verify the completeness of the contractor's training records for all staff.
- While an effective process for promptly resolving motorist complaints is currently in place, the Agency now participates in the damage claim meetings held by the contractor. We also verify that the individual decisions made by the contractor pertaining to damage claims are documented and result in payment on all legitimate damage claims.

It is rewarding to learn of the high ratings the vehicle emission testing program received from your customer satisfaction survey. The Auditor General's survey validates that the general public is more than satisfied with the test personnel's helpfulness and courtesy. Even with those high marks, the audit recommendations will help us improve and will help ensure we continue to provide high quality services in a courteous and professional manner.

The survey also confirms that motorists are generally comfortable that test personnel are careful with their vehicles during the test process. In fact, I believe the audit confirms that the extensive training, monitoring and oversight procedures in place help ensure that damage to vehicles is minimized. In 2000, the claim rate was 6.5 per 10,000 vehicles tested (.065%). Again, we intend to follow up on all audit recommendations in order to further minimize damage claims.

The Auditor General's nation-wide survey reflects that Illinois uses the most comprehensive emission test available. This test is considered the most effective by the USEPA and is a critical element of the

GEORGE H. RYAN, GOVERNOR

State of Illinois' effort to achieve and maintain compliance with national air quality standards designed to protect the health of our citizens. That is, of course, our goal and we appreciate any opportunity to improve our efforts to reach the goal.

Attached is our response to each of the recommendations. The Agency will benefit from this outside and independent review of the program. I thank you for the opportunity to update you on progress that is being made to meet the report recommendations.

Sincerely,

A handwritten signature in black ink that reads "Renee Cipriano". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Renee Cipriano
Director

Attachment

Audit Recommendation 1:

The IEPA Division of Vehicle Inspection and Maintenance should implement the following procedures:

- Monitor the training required by the contract, including reviewing the contractor's records to ensure complete and accurate records exist which demonstrate that all required training was provided.
- Grade the tests as required by the contract.
- Certify the lane inspectors as required by State law.

In addition, IEPA should provide its test station monitoring personnel the training that is required by federal regulations.

Agency Response to Recommendation 1:

Accepted. IEPA helped develop and establish one of the most comprehensive training programs in the nation for lane inspectors and lane facility managers. As part of its continuous improvement program, the IEPA implemented new procedures in April 2001 that were recommended by an internal audit of its Vehicle Inspection and Maintenance program. These procedures provide for the tracking of the essential training elements to aid IEPA State Inspectors in their verification that lane inspectors have received 40 hours of hands-on training and 40 hours of classroom training. Prior to these improvements, the State Inspectors verified the effectiveness of the training program by performing daily observations and evaluations of the actual performance of the contractor's lane inspectors and managers. These post-training observations are an important part of ensuring that the inspectors and managers are effectively trained.

Additional procedures and training are now being prepared to guide the IEPA State Inspectors in their task of confirming that training records and test grading are complete and accurate. The State Inspectors will document the training hours and review and document the computer-based grading results. The IEPA will then certify the lane inspectors.

The Quality Assurance Auditors will audit the contractor's employee training files to ensure completeness of training documentation.

The IEPA Quality Assurance Audit team is comprised of staff with extensive prior experience in the various operational aspects of the vehicle-testing program. To become a member of the Quality Assurance Audit team, this program knowledge and experience are supplemented with hands-on training in the various components of the applicable federal regulations. We are now developing a more formal training program and are scheduling training for the Quality Assurance Auditors for all areas covered in the federal regulations (40CFR Ch 1.51.363(d)). Furthermore, since USEPA does not have guidance or specific criteria regarding training in their federal regulations, we will work with USEPA to develop a suitable model that fulfills USEPA's expectations.

Audit Recommendation 2:

The IEPA Division of Vehicle Inspection and Maintenance should be more involved in the damage claims process to ensure that the contractor's records are accurate and that legitimate damage claims are paid promptly.

Agency Response to Recommendation 2:

Accepted; partially implemented. In the first quarter of 1999, we designed and implemented a process to efficiently and effectively respond to motorists' damage claims. An important component of the process is the 34 Claim Evaluation Centers (CEC) that can be used to provide expert evaluation on the causes of vehicle damage. CECs must meet three criteria:

- a. Automotive Service Excellence (ASE) certification,
- b. Automotive Service Association (ASA) member, and
- c. I/M 240 trained.

To further ensure that claims receive expert and professional evaluations, we use the Better Business Bureau's (BBB) nationally recognized dispute resolution program. We also use IEPA hotlines and the website to obtain feedback on any problems, including those associated with the damage claim process.

The calendar year 2000 damage claim rate was 6.5 per 10,000 vehicles tested or a total of 1,043 damage claims from the total of 1,607,447 vehicles tested. Over 37 per cent of vehicle owners that used the damage claim process, including the CECs and the BBB when required, received reimbursement in calendar year 2000.

We will work with the contractor to modify the present damage claim procedures to better document the basis for requiring a customer to visit a Claim Evaluation Center (CEC). The IEPA is now participating in weekly damage claim meetings to assure that all decisions are thoroughly documented.

Finally, we are implementing procedures to review all claim files maintained by the contractor that result in a denial of payment and are verifying that documentation supports that the denial was reasonable.

Audit Recommendation 3:

The IEPA Division of Vehicle Inspection and Maintenance should strengthen the customer service process by increasing the accessibility of available information and options for motorists to submit comments and complaints, and should improve its follow-up with motorists.

Agency Response to Recommendation 3:

Accepted. The Auditor General's customer satisfaction survey reflects the importance that the IEPA and its contractor have placed on customer service with survey respondents providing an overall rating between satisfied and very satisfied. To further enhance customer satisfaction, the IEPA has now modified the vehicle emission test notices that are sent out to

all motorists to solicit their opinion and to let them know that comment forms are available at the emission test stations. We also promote our website as a source for additional information. Once at the website, a motorist can e-mail a message to IEPA regarding questions or comments. The Agency's hotline telephone number is also included on the emission test notice to provide another avenue to provide input or resolve issues. We will further strengthen the customer service process by taking the following actions:

- a. We will initiate a periodic customer satisfaction mail-in survey process similar to the one used by the Auditor General in this audit. We will also survey a sample of vehicle owners that did not visit a Claim Evaluation Center, as directed by the IEPA's contractor, in order to determine the reason for their decision. We will follow-up on any questions or issues raised in the motorist surveys.
- b. The IEPA will ensure that the contractor develops and displays a customer's rights poster in each customer waiting area.
- c. We will ensure that the contractor distributes and fully utilizes the customer service surveys provided at the test stations.

Audit Recommendation 4:

The IEPA Division of Vehicle Inspection and Maintenance should establish a written policy manual to guide program operations.

Agency Response to Recommendation 4:

Accepted. We have implemented one of the most comprehensive monitoring programs in the nation to ensure that Illinois vehicle owners are receiving high quality services from the Illinois vehicle-testing program. We use a team of State Compliance Inspectors, Compliance Supervisors, and Quality Assurance Auditors to conduct performance reviews on a daily basis at the 35 testing stations in the Chicago and East St. Louis metropolitan areas.

The IEPA has been using an on-the-job training program, implemented by veteran staff, to train less experienced State Inspectors and Quality Assurance Auditors. This process is aided by the use of detailed monitoring forms that help guide Inspectors and Quality Assurance Auditors through the inspection and auditing process. However, we have now initiated the development of a more formal, written policy manual that will fully document and describe the specific methods and procedures to be used by staff to monitor the program.

Audit Recommendation 5:

The IEPA Division of Vehicle Inspection and Maintenance should:

- Establish a written procedures manual, including written procedures for all monitoring forms.
- Improve personnel coverage of test stations and complete daily monitoring reports on all test stations.
- Document reviews performed by supervisors.

- Use all the monitoring reports to improve test stations' performances

Agency Response to Recommendation 5:

Accepted; partially implemented. The results of the Auditor General's customer satisfaction survey confirm the overall effectiveness of IEPA's monitoring program which is designed to ensure that the program is providing high quality services to Illinois vehicle owners. This previous effort is now in the process of being enhanced as IEPA drafts written procedures covering station-monitoring activities.

To improve personnel coverage of test stations, we use Quality Assurance Auditors and State Inspector Supervisors to help cover vacancies due to staff turnover, vacations, etc. The State Inspector Supervisors are also now signing off on their appraisal of station monitoring reports in order to document their review.

We will ensure that all monitoring reports are routinely used and that information gathered on the reports is used to improve station performance.

Audit Recommendation 6:

The IEPA Division of Vehicle Inspection and Maintenance should fulfill all the auditing and reporting requirements in federal regulations and review the reports it receives to determine those which may no longer be necessary.

Agency Response to Recommendation 6:

Accepted. Over the last two years, IEPA's Vehicle Emissions Testing Program has been extensively audited including the Office of the Auditor General's (OAG) fiscal year 2000 financial and compliance audit, the OAG's fiscal year 2001 financial and compliance audit, a comprehensive program audit conducted by our internal auditors in fiscal year 2001, and the current OAG management audit. We have contacted the USEPA regarding guidance on the auditing and reporting requirements stipulated in the federal regulations. USEPA has not developed such guidance but is willing to work with the IEPA to develop auditing and reporting protocols to be used in association with vehicle testing programs in operation nationwide. As another element of our response to this recommendation, we will enhance current auditing activities to include the following:

- a. Quality Assurance Auditors will be provided additional training on auditing methods and procedures for conducting audits of contractor lane inspector activities. We will be utilizing our internal auditors and a University of Illinois consultant to conduct the audit training.
- b. The IEPA will conduct a review of operational reports received from the contractor to determine which reports should be discontinued.

Also, the IEPA has now fully implemented its own covert auditing program to supplement the program run by the contractor.

Audit Recommendation 7:

The IEPA Division of Vehicle Inspection and Maintenance should establish written procedures for imposing liquidated damages, and formally follow-up on the liquidated damages imposed to ensure that the contractor is taking corrective action.

Agency Response to Recommendation 7:

Accepted. The current emission test contract contains significant discussion and written guidance on the liquidated damages process. However, we will issue additional detailed guidance on the procedures for imposing damages and include a formal corrective action process for the contractor.

Audit Recommendation 8:

The IEPA Division of Vehicle Inspection and Maintenance should ensure that manually entered wait time information is monitored more closely by its test station monitoring personnel to verify controls over motorist wait time are working effectively. Stations with high manual data entries should have their wait time entries closely analyzed to determine the cause and to correct any problems.

Agency Response to Recommendation 8:

Accepted. Current monitoring procedures require the State Inspector to routinely inspect for the proper functioning of the ticket dispenser. If the ticket dispenser is not functioning properly, the State Inspector reviews the operations of the contractor to ensure that the proper procedure is being used to manually record wait times. IEPA analyses have shown that the IEPA actions were timely and sufficiently appropriate to ensure that the entry of manual wait times has not affected the accuracy of reported wait times which averaged 7.5 minutes in calendar year 2000.

To enhance existing IEPA procedures in this area, the IEPA now requires the contractor to notify the State Inspector when the ticket gate is not working properly and the contractor has switched to manually entering the wait times. We are adding the necessary procedures to the IEPA State Inspector's operations manual to ensure that manually entered wait times are closely scrutinized and that instances causing high manual data entry are examined and corrected.

Audit Recommendation 9:

The IEPA Division of Vehicle Inspection and Maintenance should direct the contractor to inform motorists who file a damage claim that they may view a videotape of their vehicle's emissions test.

Agency Response to Recommendation 9:

Accepted; partially implemented. The contractor keeps a supply of videotapes adequate to capture 60 days of testing activity at all of the 35 testing stations. We currently provide owners with an opportunity to review a videotape, if they make such a request. However, we have implemented procedures to better inform the vehicle owners of their right to view the

tapes. The contractor has revised correspondence advising motorists filing a damage claim that they can set up a time to view the videotape of their emission test. Motorists will be requested to make their request to view the tape within 60 days of the date their vehicle was tested. This time period allows the contractor to retrieve the appropriate tape so the testing images can be preserved for viewing.

Audit Recommendation 10:

The Illinois Environmental Protection Agency and the Secretary of State's office should initiate a formal review of the vehicle emissions testing program's enforcement component to determine if the State should use a registration denial system or make other changes to increase efficiency and decrease cost. In addition:

- IEPA should develop a system to verify motorists' self-certifications from the vehicle emissions test as required by federal regulations.
- Secretary of State's Office should track and report the number of actual driver's license and vehicle license plate suspensions.

Agency Response to Recommendation 10:

Accepted; partially implemented. The vehicle emission testing program's enabling legislation requires the use of the current enforcement process involving driver license and vehicle registration suspensions. Compared to the registration denial system used in other states, the Illinois enforcement system is a much more customer friendly process. It provides for a higher level of notification to the vehicle owner that there is a problem with their compliance with the vehicle testing program and provides for a longer period for the owner to come into compliance before affecting their right to drive the vehicle. We believe the extra effort given in notifying vehicle owners and the extra time allowed for them to comply, results in a much higher level of customer service than the vehicle registration denial approach.

The IEPA met with the Secretary of State staff on September 19, 2001 and initiated discussion and a formal review of the current enforcement process. We will continue to work with the Secretary of State's office to examine any opportunities to improve efficiency and to reduce costs involving the enforcement function including a review of the registration denial approach used in other states.

IEPA will be using a statistical sampling approach to help support and expand the verifications of test exemptions already provided by the Secretary of State computer matching process.



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

September 18, 2001

Mr. Ameen Dada
Audit Manager
Office of the Auditor General
Iles Park Plaza
740 East Ash
Springfield, IL 62703-6046

2001 SEP 20 A 11: 11

RECEIVED
AUDITOR GENERAL
SPFLD.

Re: Legislative Audit Commission
Resolution Number 119

Dear Mr. Dada:

Attached please find our response to the Management Audit of the Illinois Environmental Protection Agency Vehicle Emissions Testing Program; Chapter 8, Enforcement Structure, Recommendation Number 10.

If you have any questions or I can be of further assistance, please feel free to contact me at (217) 785-0963.

Sincerely,

A handwritten signature in cursive script that reads "Allan L. Woodson".

Allan L. Woodson
Director
Driver Services Department

Attachment

cc: Mike Mayer
Pam Jones
File

**MANAGEMENT AUDIT
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
VEHICLE EMISSIONS TESTING PROGRAM**

**SECRETARY OF STATE'S RESPONSE
SEPTEMBER 13, 2001**

| Chapter 8, Enforcement Structure | |
|--|---|
| Recommendation Number 10 | <p>The Illinois Environmental Protection Agency and the Secretary of State's Office should initiate a formal review of the vehicle emissions testing program's enforcement component to determine if the State should use a registration denial system to make other changes to increase efficiency and decrease cost. In addition:</p> <ul style="list-style-type: none"> • IEPA Should develop a system to verify motorists' self-certifications from the vehicle emissions test as required by federal regulations. • Secretary of State's Office should track and report the number of actual driver's license and vehicle license plate suspensions. |
| Secretary of State's Response | <p><i>The Secretary of State's Office agrees that the Vehicle Services & Driver Services Departments along with the IEPA would benefit from a formal review of the Vehicle Emissions Test Program. Our ongoing goal in the Secretary of State's Office is to increase efficiency and decrease cost in the IEPA Enforcement process.</i></p> <p><i>The Vehicle Services Department currently has the capability to track and report the number of actual IEPA registration suspensions applied and cleared. The Driver Services Department has already began analyzing the present computer stored statistical information from this program in order to improve on the data captured relating to actual driver's license suspensions.</i></p> |