



The City of New York  
Department of Investigation

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**DOI ANNOUNCES RESULTS OF AN INVESTIGATION REGARDING THE AWARDING OF THE  
NYC MEDALLION TAXICAB TECHNOLOGY ENHANCEMENTS CONTRACT**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the results of an investigation regarding the allegation of possible fraud in the awarding of the NYC Medallion Taxicab Technology Enhancements (*Taxicab Enhancement Program*) contract. DOI's investigation found the allegation of fraud to be unsubstantiated.

DOI began its investigation as a result of a referral from the Comptroller's Office of a complaint it received from one of the *Taxicab Enhancement Program* losing bidders. The allegation was that a consultant who did some work for TLC on the *Taxicab Enhancement Program* contract was also employed by one of the companies who successfully competed for the *Taxicab Enhancement Program* contract. Through witness interviews and the examination of various records, DOI established that the TLC consultant's work on the *Taxicab Enhancement Program* contract did not include the evaluation or selection of the awardees, contrary to the complainant's allegations. In addition, through examination of phone and bank records, among other things, DOI found no evidence that the consultant was employed by or had a business or consultant relationship with the winning bidder. Based on its investigation, DOI found that the claim of fraud was without merit.

DOI has no view, position or partiality with respect to the *Taxicab Enhancement Program* or any of the bidders or awardees.

DOI Commissioner Rose Gill Hearn said, "I believe the integrity of the procurement process is of paramount concern to the City, which is why these allegations were taken very seriously. I am today announcing that after conducting witness interviews under oath and closely examining TLC records, as well as subpoenaed telephone and bank records, DOI found no evidence of misconduct in the bidding and/or awarding process of the *Taxicab Enhancement Program* contract."

*Background on the Taxicab Enhancement Program:*

In March 2004, TLC's Board of Commissioners mandated the implementation of certain technology-based service enhancements including: (1) Electronic Trip-Sheet Data Collection, which would eliminate written trip data logs; (2) Text Message Capability, which would allow the TLC to communicate with drivers more effectively and recover riders' lost property; (3) Credit/Debit Card Acceptance, which would require all taxis to accept major credit and debit cards for payment of fares; and (4) Passenger Information Monitors, which would display NYC information and allow passengers to track their trips in the taxi's back seat.

In March 2005, an RFP was issued to seek bids from companies with regard to these enhancements. Out of the 12 companies that responded to the RFP, the TLC's Project Evaluation Committee selected five companies based on the strength of their proposals to be authorized by the TLC to provide Electronic Trip-Sheet Data Collection, Text Message Capability, Credit/Debit Card Acceptance, and Passenger Information Monitors to the 12,779 medallion taxicabs in NYC.

This investigation was conducted by DOI's Inspector General for TLC Timothy Crowe, DOI's Deputy Commissioner for Legal Affairs Marjorie Landa, and DOI Investigator Jared Feirstein.

*Criminal complaints are accusations. Defendants are presumed innocent until proven guilty.*

***Get the worms out of the Big Apple. To report someone ripping off the city, call DOI at (212) 825-5959.***