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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 16, 2010

Mr. Robert D. LiMandri
Commissioner
New York City Department of Buildings
280 Broadway, 7th Floor
New York, NY 10007

Re: Report 2010-F-28

Dear Mr. LiMandri:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1, of the State Constitution and Article III of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department of Buildings (Department) to implement the recommendations contained in our audit report, *Elevator Inspections and Tests* (Report 2007-N-9).

Background, Scope and Objective

The Department is responsible for ensuring the safe and lawful use of more than 975,000 buildings and properties. This responsibility includes the oversight of elevators and related devices such as escalators and lifts. Department records indicate that there are a total of 70,450 elevators and related devices in New York City. These devices are subject to various sections of the New York City Building Code (Building Code) and the Rules of the City of New York.

The Department enforces the laws and rules that set forth elevator safety standards. In doing so, it administers elevator inspection and testing schedules. An elevator inspection differs from an elevator test; an inspection is a visual examination of an elevator's parts, while a test involves actually running the parts to ascertain their condition.

In accordance with the Building Code, elevators in New York City are to be inspected every 6 to 12 months and tested once a year. The Department has authorized the New York City Housing Authority to perform such inspections on buildings within its jurisdiction.

Elevator inspections are conducted by the Department, while elevator tests are conducted by private inspectors hired by the property owners for that purpose. Inspectors have to meet certain qualification requirements, such as specific work experience or professional certification. The private inspectors must be licensed by the Department.

The Department employs a total of 19 elevator inspectors, who conduct inspections, observe

safety tests, follow up on complaints, and perform other activities related to elevator safety. The Department also contracts with two private companies to perform elevator inspections on its behalf.

An elevator inspection may identify conditions that the Department considers “dangerous,” such as badly-worn, defective, or damaged hoist cables; a defective brake assembly; or instances in which the only elevator in the building or building section is out of service. When such conditions occur, the inspector must notify the property owner who must then correct the violation.

When a more “hazardous” condition is found, the inspector must issue a cease-use order to the property owner and tag the device as unsafe. A cease-use order directs the owner to take the elevator out of service. Such conditions include an unraveling or broken hoist, a non-operating emergency switch, or missing doors. Department policy requires a Department inspector to re-inspect the elevator before it is placed back into service to ensure that all repairs were completed properly. The cease-use tag may not be removed without prior Department approval. The Department’s practice is to re-inspect the cease-use order issued for single elevator buildings (where there is only one elevator in the building) within 10 business days.

Our initial audit report, which was issued on January 2, 2009, examined the Department’s controls over elevator safety for the period of July 1, 2005 through March 31, 2007. We found some of the inspections and tests were performed late, some were performed by inspectors who did not meet certain qualification requirements, and some were not documented properly. The objective of our follow-up was to assess the extent of implementation, as of September 2, 2010, of the seven recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

Department officials have made significant progress in addressing the issues we identified. Of the seven prior audit recommendations, six recommendations have been implemented and one recommendation has been partially implemented.

Follow-up Observations

Recommendation 1

Determine how the un-inspected elevators could have avoided the required inspections and testing. Institute procedures to prevent such lapses in the future.

Status - Implemented

Agency Action - Department officials state that these elevators were not inspected because the private inspectors contracted by the Department could not gain access to the buildings where they are located. Since their contract stipulated that they were paid per device, these private inspectors only documented actual inspections. To prevent such lapses, the terms of the new contract require the inspectors to post a notice at the location where there was no access,

instructing the property owner to call the Department to schedule an inspection. A copy of the notice must be submitted to the Department with the related route sheets.

Recommendation 2

Establish control procedures to ensure that elevator inspections and tests are performed on schedule and are fully documented.

Status - Partially Implemented

Agency Action - The Department has implemented procedures for a more efficient documentation and retrieval process. Only supervisors and administrative staff have access to folders containing inspection reports, appointments, route sheets and test results. Department officials told us they have also created a quality assurance program with the intention of establishing higher standards of inspection integrity. They said they are developing written procedures for clarifying the minimum required number of inspections.

However, when we tested a random sample of ten elevator devices, we found that inspections and tests for seven devices had not been conducted as required. Two of five uninspected elevators had not been inspected on schedule and one had been neither inspected nor tested on schedule. We tested an additional five devices that the inspector initially could not access. Four of the five were not inspected on schedule; one of the four was neither inspected nor tested in over a year, and two of the four had not been inspected since 2005.

Recommendation 3

Establish a system for ensuring that elevators taken out of service by cease-use orders in single-elevator buildings are re-inspected in a timely manner.

Status - Implemented

Agency Action - The Department has established a system for ensuring that elevators taken out of service by cease-use orders are re-inspected within ten days. Each cease-use order is documented in the Department's computer system. An internal log is also updated to include due dates for all cease-use violations in single-elevator buildings.

We tested a random sample of five cease-use re-inspections for the period January 1, 2010 through July 31, 2010. We found that all five cease-use orders (three of which were for single-elevator buildings) had been re-inspected within ten days.

Recommendation 4

Ensure that all elevator inspectors meet all qualification requirements.

Status - Implemented

Agency Action - We tested a judgmental sample of six elevator inspectors, including two Department inspectors (one was identified in the prior audit as not meeting all qualifications) and four Department-contracted inspectors, and determined that they met their respective qualifications.

Recommendation 5

Recommendation deleted.

Recommendation 6

Continue taking steps to improve the timeliness of the Department's response to Priority A complaints.

Status - Implemented

Agency Action - According to the New York City Mayor's Management Report dated February 2010, the Department achieved its goal of responding to 95 percent of Priority A complaints within 1.5 business days for fiscal year 2009.

Department officials told us that they are developing written procedures pertaining to Priority A complaints and related documentation. They said all such complaints are monitored by the Deputy Director for Field Operations. All Area Chiefs and supervisors have access to a database they can use to track the status of Priority A complaints and monitor whether the inspection results are entered into the Department's computer system in a timely manner.

We tested a judgmental sample consisting of five complaints from July 2010 and found that they were all inspected within 1.5 business days.

Recommendation 7

Ensure that the priority designations in the complaint database are accurate.

Status - Implemented

Agency Action - Department officials told us that the current process requires all downgraded Priority A complaints to be monitored and approved by the Field Operations Deputy Director and that copies of the complaints are to be maintained by Field Operations. We tested the database and determined that 5 of 11 complaints made during the first 2 weeks of July 2010 had been downgraded properly from a Priority A to a Priority B status.

Recommendation 8

Improve the filing practices for inspection route sheets to ensure that the sheets are maintained in an accessible manner.

Status - Implemented

Agency Action - We found that the Department has improved its filing practices for inspection route sheets. Route sheets are placed in locked filing cabinets, and can be removed only by assigned administrative personnel, who must complete a "sign out" book indicating that they did so.

Major contributors to this report were Christine Chu, Jeremy Mack, Lillian Fernandes and Carole LeMieux.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address the unresolved issues discussed in this report. We thank the Department's management and staff for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Albert Kee
Audit Manager

cc: Richard Bernard, Buildings' Audit Liaison
George Davis, Mayor's Office of Operations