

NASSAU COUNTY

NEW YORK



Review of County E-ZPass Usage

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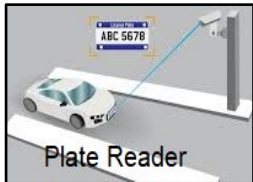
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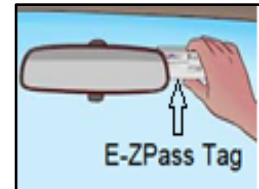
Review of County E-ZPass Usage

Background

In 2024, the Comptroller's Office conducted a review of E-ZPass¹ use by all County departments. The purpose of the review was to ascertain: (1) which departments had E-ZPass accounts and which departments did not but regularly incurred E-ZPass expenses, and (2) if any efficiencies could be found in managing E-ZPass expenses.



E-ZPass expenses are incurred when a tag is scanned or a license plate is captured by a reader at a toll crossing (since 2025 called Tolls-by-Mail). A higher toll is charged when a license plate is read than when a tag is scanned.



Review Results

- Six departments had E-ZPass accounts and utilized E-ZPass tags. These departments paid their bills using funds from their petty cash account.
- Seven departments incurred expenses without an E-ZPass account or using E-ZPass tags. These departments had County registered vehicles and were being invoiced via plate reader/Tolls-by-Mail. However, these bills were not always being submitted for payment, resulting in outstanding balances.²
- Almost all County departments, including those above, incurred E-ZPass expenses when employees traveling in their own vehicle for County business used their E-ZPass tag. Departments reimbursed employees for the expense.

As a result, two-hundred or more E-ZPass expense claims were received annually by the Comptroller's Office from County departments in ad-hoc fashion to: (1) reimburse petty cash expenditures, (2) pay E-ZPass plate reader/Tolls-by-Mail invoices, or (3) reimburse employees.



Review Findings

- ❌ The County lacked established procedures for using E-ZPass.
- ❌ There were no standard protocols for receiving E-ZPass invoices and paying expenses.
- ❌ There was no method to track E-ZPass usage and outstanding liabilities (unpaid invoices or employee reimbursements).

This lack of standardization led to an unnecessary high volume of claims, varying claim methods being used to pay expenses, and varying rates being paid for identical tolls.

¹ In 1993, E-ZPass tolling began in New York State in limited form. Over the following 32 years the system developed, culminating in the 2025 implementation of full cashless tolling at almost all tolls. Since full cashless tolling, tolls can only be paid via E-ZPass.

² County department vehicles were registered to the Department of Public Works Vehicle Fleet Maintenance Unit (DPW). As a result, plate reader/Tolls-by-Mail bills were sent to DPW.

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Recommendations

As a result of this review, the following efficiency recommendations were made to the County.

- Centralize E-ZPass oversight into the Department of Shared Services.
- Establish standard E-ZPass use and payment procedures and internal controls.
- Establish a consolidated account and bill for **all** County departments, to minimize the time and effort to process voluminous expense related claims.
- Only allow the use of E-ZPass tags – to eliminate the higher cost of Tolls-by-Mail.
- Resolve outstanding invoices.

Resulting Changes

In mid-2024, based on the Comptroller's Office recommendations, the Administration determined to centralize E-ZPass oversight into the Nassau County Department of Shared Services (Shared Services). Shared Services worked with the Comptroller's Office to create standard processes and procedures, internal controls, and to streamline payments.



In implementing these changes, Shared Services assumed the responsibility of distributing E-ZPass tags, maintaining tag inventory, monitoring activity and processing payments.

Shared Services established one consolidated account to be used by all departments. Departments that had an existing accounts were required to turn in any tags and to close the account. The District Attorney's Office, Police, Probation, Sheriff, and Social Services Departments were permitted to continue to maintain their E-ZPass accounts and tags. This was based on the distinctive law enforcement/public safety nature of these departments, their high frequency of E-ZPass use, and because they had in place long established effective and proper E-ZPass use internal controls.

The County also paid all outstanding invoices, after negotiating a fifty percent reduction in fees from the original amounts billed.

Under these new processes and procedures:

- ✓ Departments complete an electronic application to request E-ZPass tags.
- ✓ Requests are evaluated by Shared Services based on the department's work functions and frequency of need.
- ✓ Once approved, E-ZPass tag(s) are assigned to a department.
- ✓ Tag(s) are given to a department E-ZPass custodian, who is responsible for maintaining the tag(s) and for reviewing and approving monthly billing activity.
- ✓ Shared Services submits a single monthly payment claim for the consolidated account.

In implementing these changes, the County will achieve the recommended efficiencies.

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