

Special Review

**Department of Transportation
Motor Vehicle Administration
Follow-up Review**

January 2009



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Bruce A. Myers, CPA
Legislative Auditor

January 16, 2009

Delegate Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee
Senator Verna L. Jones, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a follow-up review of the actions taken by the Department of Transportation – Motor Vehicle Administration (MVA), as of July 1, 2008, to address the findings in our October 19, 2007 audit report. In that report, we concluded that MVA's fiscal accountability and compliance rating was unsatisfactory.

We performed certain procedures to evaluate the corrective actions taken by MVA. Specifically, we selected 12 of the 25 findings from our audit report and reviewed MVA's progress. Our review disclosed that MVA had made some progress in resolving the audit findings reviewed:

Implementation Status	Number of Findings
Corrected	3
Substantial Progress	5
In Progress	2
Minimal Progress	2
No Progress	0
Status Not Determined (item not selected for review)	13

MVA had initiated corrective action on all 12 findings reviewed, and had established a corrective action plan, which included timelines and processes to monitor the implementation of the plan, for all 25 findings from our audit report. Nevertheless, most of the actions were still in progress, as the findings will require extensive time and effort to resolve. If MVA continues on this course for all findings and, if other areas do not deteriorate, our next audit should result in an improved accountability and compliance rating.

The status of each of the 12 findings we reviewed is identified in Exhibit 1, which also includes MVA's self-assessment of the implementation status for all 25 report findings. Exhibit 2 describes, in detail, the status for the 4 findings we determined that MVA had not corrected or substantially addressed. The Department's response is included as an appendix to this report.

We will review the status of all of the audit findings during our next audit of MVA. We wish to acknowledge the cooperation extended to us by MVA during this review.

Respectfully submitted,

Bruce A. Myers, CPA
Legislative Auditor

Exhibit 1: Status of Findings in October 19, 2007 Audit Report

Prior Finding	Status Based on Auditor's Review as of July 2008	Status as Determined by MVA as of July 2008
Ignition Interlock Program (IIP)		
1. MVA policies and procedures were not sufficient to address IIP violations.	In Progress	Substantial Progress
2. MVA did not ensure that certain individuals assigned to IIP had the device installed and that it was notified of all violations.	Minimal Progress	In Progress
Driver Licensing		
3. Procedures and controls over driver licensing transactions were not sufficient.	N/A	Substantial Progress
4. MVA lacked comprehensive procedures to ensure the driver's license database included complete and accurate social security numbers and to identify possible fraudulent licenses.	Corrected	Corrected
License Suspensions and Revocations		
5. Driver's license suspensions and revocations were not always processed timely.	Substantial Progress	Corrected
6. MVA did not take adequate steps to suspend the driver's licenses of certain individuals repeatedly in arrears in making child support payments.	Corrected	Corrected
7. MVA needs to address excessive delays in the judicial process, which resulted in penalties being postponed for extended periods (Policy Issue).	N/A	Corrected
Vehicle Titling and Registration		
8. MVA allowed vehicle dealerships to issue temporary registration tags to ineligible individuals, in violation of state laws.	N/A	Corrected
9. MVA waived dealership fines totaling approximately \$824,000 without a review of the related documentation, and system reports were not adequate to identify certain other late payments.	N/A	Substantial
Page 1 of 3		

N/A – Not applicable since we did not review the implementation status of this finding

Note: Shaded findings are more fully described in Exhibit 2.

Exhibit 1: Status of Findings in October 19, 2007 Audit Report

Prior Finding	Status Based on Auditor's Review as of July 2008	Status as Determined by MVA as of July 2008
10. Audits of licensed vehicle dealerships were not comprehensive to ensure collection of proper fees.	Substantial Progress	Corrected
Insurance Compliance		
11. MVA did not take timely action when lapses in vehicle insurance coverage were identified and procedures were not in place to ensure such lapses were properly processed.	N/A	Substantial Progress
12. MVA failed to assess and pursue recovery of uninsured motorist penalties in a timely manner and related waivers were not always issued in accordance with state regulations.	Substantial Progress	Corrected
Vehicle Emissions Inspection Program (VEIP)		
13. MVA lacked adequate controls over waivers of inspections and late fee penalties granted to vehicle owners.	Corrected	Corrected
Information Systems Security and Control - Mainframe Applications		
14. Access and monitoring controls over critical mainframe production files need improvement.	Substantial Progress	Corrected
Information Systems Security and Control - eMVA Store		
15. MVA's contract for hosting the MVA website and the eMVA Store did not include provisions for periodic audits of online security, resulting in potential vulnerability of sensitive information.	N/A	Substantial Progress
16. Sensitive personal and financial information of eMVA Store customers was unnecessarily stored in clear text on eMVA Store servers.	In Progress	Corrected
17. Security measures to protect critical eMVA store application servers were not adequate.	N/A	Substantial Progress
18. Critical software, which supported the eMVA Store, was out of date.	N/A	Corrected

Page 2 of 3

N/A – Not applicable since we did not review the implementation status of this finding

Note: Shaded findings are more fully described in Exhibit 2.

Exhibit 1: Status of Findings in October 19, 2007 Audit Report

Prior Finding	Status Based on Auditor's Review as of July 2008	Status as Determined by MVA as of July 2008
19. Monitoring and control over critical <i>eMVA Store</i> components were not adequate.	N/A	Substantial Progress
20. Access to the <i>eMVA Store</i> critical servers and database was not properly restricted.	Substantial Progress	Corrected
21. Controls over the use of a third party to process <i>eMVA Store</i> credit card payments were inadequate.	Minimal Progress	Corrected
Cash Receipts 22. Procedures and controls over collections need improvement.	N/A	Substantial Progress
Fraud Investigations 23. MVA did not always sufficiently investigate instances of possible fraudulent activity by MVA employees.	N/A	Corrected
Purchases and Disbursements 24. Proper internal controls were not established over purchasing and disbursement transactions.	N/A	Corrected
Equipment 25. MVA did not complete physical inventories or investigate missing equipment, as required.	N/A	Substantial Progress
Page 3 of 3		

N/A – Not applicable since we did not review the implementation status of this finding

Note: Shaded findings are more fully described in Exhibit 2.

Exhibit 2

Status of Findings for Which Corrective Action Was Deemed to be “In Progress” or “Minimal Progress”

Ignition Interlock Program (IIP)

Prior Finding 1

MVA policies and procedures were not sufficient to address IIP violations. As a result, MVA failed to take appropriate follow-up action for certain individuals who violated the terms of the program.

Background

Beginning in 1988, State law allowed the use of an ignition interlock device as an additional penalty to help prevent individuals convicted of alcohol-related driving violations from driving while intoxicated. Furthermore, in 1996, the Maryland Ignition Interlock Program (IIP) was established to formalize the monitoring process. Drivers are enrolled in the program as a result of a court order, administrative hearing order, or MVA Medical Advisory Board (MAB) recommendation, or may voluntarily enroll in the program in lieu of and/or in conjunction with a reduced driver's license suspension or revocation.

IIP enrollees are required to have an interlock device installed in their vehicles by a certified vendor approved by MVA. The device is designed to prevent the individual from driving while intoxicated by requiring them to breathe into the device prior to starting the vehicle and at periodic intervals (retests). The interlock device records all attempts made by the driver to start the vehicle, blood alcohol content levels, attempts to circumvent the interlock device, and refusals to perform the required retests. These data are electronically uploaded during each enrollee's mandated monthly visits to the interlock vendor, which then reports the information to MVA. These monthly reports are reviewed by IIP caseworkers to determine whether significant violations have occurred.

State law and MVA policies and procedures generally provide for MVA to administer the program, which includes monitoring IIP enrollee compliance. In addition, the Department of Public Safety and Correctional Services – Division of Parole and Probation has certain monitoring responsibilities for individuals ordered by the courts to enroll as a condition of probation (such as monitoring individuals for compliance with parole conditions).

Prior Report Recommendation 1

1. We recommended that MVA modify its policies and procedures to ensure the proper identification and follow-up of IIP violations. Specifically, we recommended that the procedures specify that progressively severe corrective action (for example, warning letters, extension of the term of the IIP, suspension or revocation of the driver's license) be taken in response to the severity and frequency of the violations.
2. In addition, we recommended that the procedures require the flagging of the driving records of individuals in the IIP to automatically notify the IIP unit of pertinent license activity that may constitute a violation of the IIP.
3. We also recommended that the procedures include provisions for the monitoring of violation reports of court-ordered IIP participants, and that the Department of Parole and Probation (DPP) be notified of the results of such monitoring for these participants.
4. Finally, we recommended that MVA monitor the IIP to ensure that these policies and procedures are adhered to.

Status – In Progress

1. MVA modified its IIP policies and procedures to help ensure the proper identification and follow-up of IIP violations. MVA advised that these policies and procedures were implemented as of October 17, 2007. The procedures specify, for example, that a warning letter is to be sent to program participants each time a monthly activity report shows a program violation, and that, after the fourth violation, the individual shall be removed from the program or referred back to the Medical Advisory Board or the Courts, as applicable. However, our test of 15 individuals in the IIP after October 17, 2007 disclosed that these procedures were frequently not followed. Specifically, required follow-up action, such as issuance of warning letters, was not taken for 12 of the 15 individuals tested. For example, one individual who had at least one program violation in each of 12 months examined received three warning letters during the year. This individual was not removed from the program and was subsequently notified of successful completion of the program.
2. The IIP policies and procedures were also modified to require the flagging of the driving records of individuals in the IIP to automatically notify the IIP unit of pertinent license activity that may constitute a violation. The aforementioned test of 15 individuals in the IIP disclosed that their records had been properly flagged.

3. Furthermore, MVA modified its IIP policies and procedures to specify provisions for monitoring violations of court-ordered participants and that DPP be notified of the results of such monitoring efforts. Our review of five individuals referred by the courts disclosed that DPP was notified of the results of MVA monitoring of the participants. MVA advised us that it is currently attempting to develop a Memorandum of Understanding with DPP to better define the roles and responsibilities for monitoring court-ordered participants.
4. For quality assurance purposes, the IIP unit management reviews randomly selected IIP cases for adherence to established policies and procedures. However, our examination of 10 reviewed cases disclosed that follow-up action, such as investigating missing warning letters and monthly activity reports, was not completed for 8 of these cases.

Ignition Interlock Program (IIP)

Prior Finding 2

MVA did not ensure that individuals who were assigned to the IIP by the Medical Advisory Board (MAB) had the device installed, and MVA did not have procedures to ensure that it was notified of all IIP violations.

Prior Report Recommendation 2

1. We recommended that MVA establish procedures to ensure that the interlock device is installed in the vehicles of all individuals assigned to the IIP by MAB, and that it take appropriate follow-up action when individuals fail to have the interlock devices installed, as required.
2. We also recommended that MVA establish procedures to ensure that it receives, from the applicable vendor, a monthly report of interlock activity for each enrollee.

Status – Minimal Progress

1. MVA advised us that program case managers are responsible for ensuring that the interlock device is installed for individuals referred to the IIP by MAB, and for taking appropriate follow-up action, such as referring the case back to MAB when installation does not occur within 30 days of when the interlock installation agreement was prepared. However, these procedures were not formally documented. (The interlock installation agreement documents the driver's agreement with the provisions of the program, including having an ignition interlock device installed.)

Furthermore, our test of 10 cases in which the individual had been assigned to the IIP by MAB since August 1, 2007, and the interlock device had not been installed within 30 days, disclosed a lack of adequate follow-up in 6 of those cases. Specifically, MAB was not notified in a timely manner of the failure to install. In 5 of those cases, MAB was notified approximately 100 to 300 days after MVA had received the installation agreements. In one case, although the device was eventually installed, this occurred 98 days after receipt of the installation agreement, and MAB had not been notified.

2. Although MVA had established written follow-up procedures for instances in which monthly activity reports are not received, our review disclosed that the action called for by those procedures was frequently not taken. For example, our review of 10 cases selected by management for random review, disclosed 6 with 21 missing monthly reports (out of 50 reports due for the period reviewed), but no follow-up letters regarding the missing reports had been sent to the individuals, as required. Furthermore, our separate test of 15 individuals in the IIP disclosed that 9 also had missing monthly reports, but no follow-up action had been taken.

Information Systems Security and Control – *eMVA Store*

Prior Finding 16

Sensitive personal and financial information of *eMVA Store* customers was unnecessarily stored in clear text on *eMVA Store* related servers.

Prior Report Recommendation 16

We recommended that MVA work with its service provider to ensure that customers' sensitive information is adequately secured. Specifically, the service provider should remove existing sensitive customer information from its systems, or should encrypt and appropriately protect all such sensitive information, and/or retain only partial information.

Status – In Progress

The sensitive personal and financial information that was unnecessarily stored in clear text on an *eMVA Store* server was *eMVA Store* customer names and related credit card and bank account information and driver's license numbers. Our follow-up review disclosed that MVA was securing customer credit card data by retaining only partial information (12 of the 16 stored credit card number characters were masked out on each record). Although customer bank account numbers stored in daily application logs were encrypted, the related encryption key was retained on this server. If this server was compromised, the encryption

key could be discovered and used to decrypt the bank account numbers. At the time of our testing in July 2008, we estimated that approximately 8,200 records containing customer bank account information were stored on this server. In our audit report dated October 19, 2007, we estimated that approximately 42,500 records containing customer bank account information were stored on the related server.

Although customer names and associated driver's license numbers for 21,598 individuals were stored in clear text on another *eMVA Store* server, this is a reduction from our October 19, 2007 audit report. Specifically, in that report, we estimated that customer names and driver's license numbers for 468,000 individuals were stored on the server.

Prior Finding 21

Controls over the use of a third party to process *eMVA Store* credit card payments were inadequate.

Background

Payments to the *eMVA Store* can be made via credit card. MVA and its *eMVA Store* use a nationally recognized third party to process all credit card transactions.

Prior Report Recommendation 21

1. We recommended that MVA use separate accounts for application (that is, credit card) processing and for service management.
2. Additionally, we recommended that the service management and application processing accounts and passwords not be stored on a publicly accessible server or in clear text.
3. We also recommended that MVA notify the third-party firm processing credit cards of the specific Internet addresses that should have access to the service management account.
4. Finally, we recommended that MVA amend the service management option to prevent the processing of refunds for the *eMVA Store*.

Status – Minimal Progress

1. The MVA established separate third party service provider accounts for application (credit card) transaction processing and service management.
2. Although the newly-created service management account was not stored on a publicly accessible server, the *eMVA Store* application's account and

password used for transaction processing was stored on a publicly accessible server in a clear text format.

3. The MVA had not notified the third party firm processing credit cards of the specific Internet addresses that should be permitted to access the service management account.
4. The MVA had not amended the service management option to prevent the processing of refunds for the *eMVA Store*.

Scope, Objectives, and Methodology

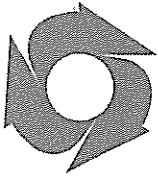
We conducted a follow-up review of the actions taken by the Department of Transportation – Motor Vehicle Administration (MVA) as of July 1, 2008 to address the findings in our October 19, 2007 audit report. In that report, we concluded that MVA's fiscal accountability and compliance rating was unsatisfactory.

The purpose of our review was to determine the status of MVA's corrective actions to address certain of our audit findings. This review was conducted based on our long-standing practice of performing a follow-up review whenever an agency receives an unsatisfactory rating in our fiscal compliance audit report. The rating system was established, in accordance with State Government Article, Section 2-1221 of the Annotated Code of Maryland, for the purpose of determining an overall evaluation of an agency's fiscal accountability and compliance with State laws and regulations.

Our review consisted of obtaining the July 2008 status report from MVA (describing the level of implementation of each prior audit report recommendation), performing tests and analyses of selected information, and holding discussions with MVA personnel as we deemed necessary to determine the status of MVA's corrective actions to address selected findings from our October 19, 2007 audit report. Our review did not constitute an audit conducted in accordance with generally accepted government auditing standards. Had we conducted an audit in accordance with generally accepted government auditing standards, other matters may have come to our attention that would have been reported. Our review was conducted primarily during July through September 2008.

The Department of Transportation's response to our follow-up review, on behalf of MVA, is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Department regarding the results of our review of its response.

APPENDIX



Maryland Department of Transportation
The Secretary's Office

January 15, 2009

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

John D. Porcari
Secretary

Beverley K. Swaim-Staley
Deputy Secretary

Bruce A. Myers, CPA
Legislative Auditor
Office of Legislative Audits
Department of Legislative Services
Room 1202
301 West Preston Street
Baltimore MD 21201

Dear Mr. Myers:

Enclosed please find the Maryland Department of Transportation's follow-up responses to the Legislative Auditor's draft special review letter dated December 23, 2008 (for the report dated October 19, 2007), for the Motor Vehicle Administration – Follow-up Review. Additionally, an electronic version of this document has been sent to your office via e-mail (file name: MVAFollowUpDecember2008) to response@ola.state.md.us.

If you or your staff have any questions or need additional information, please do not hesitate to contact me or Mr. David L. Fleming, Chief Financial Officer. Mr. Fleming can be reached at 410-865-1035.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Porcari", written over a horizontal line.

John D. Porcari
Secretary

Enclosure

cc: The Honorable Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee
The Honorable Verna L. Jones, Co-Chair, Joint Audit Committee
Members, Joint Audit Committee
Ms. Linda Ashburn, Chief Deputy Internal Auditor, Motor Vehicle Administration
Mr. Rick A. Bilenky, Chief Internal Auditor, Motor Vehicle Administration
Mr. Milton Chaffee, Chief Deputy Administrator, Motor Vehicle Administration
Mr. David L. Fleming, Chief Financial Officer, Maryland Department of Transportation
Mr. John T. Kuo, Administrator, Motor Vehicle Administration
Mr. Joseph J. Lambdin, Director, Office of Audits, Maryland Department of Transportation
Ms. Beverley K. Swaim-Staley, Deputy Secretary, Maryland Department of Transportation

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Motor Vehicle Administration
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Ignition Interlock Program (IIP)

Prior Finding 1

MVA policies and procedures were not sufficient to address IIP violations. As a result, MVA failed to take appropriate follow-up action for certain individuals who violated the terms of the program.

Prior Report Recommendation 1

1. We recommended that MVA modify its policies and procedures to ensure the proper identification and follow-up of IIP violators. Specifically, we recommended that the procedures specify that progressively severe corrective action (for example, warning letters, extension of the term of the IIP, suspension or revocation of the driver's license) be taken in response to the severity and frequency of the violations.
2. In addition, we recommend that the procedures require the flagging of the driving records of individuals in the IIP to automatically notify the IIP unit of pertinent license activity that may constitute a violation of the IIP.
3. We also recommend that the procedures that MVA include provisions for the monitoring of violation reports of court-ordered IIP participants and that the Department of Parole and Probation (DPP) be notified of the results of such monitoring for these participants.
4. Finally, we recommended that MVA monitor the IIP to ensure that these policies and procedures are adhered to.

Status - In Progress

Follow-up Response:

The Administration partially concurs with this assessment. The MVA agrees that a proportion of the cases reviewed in accordance with this report did not fully comply with the recently enacted policies and procedures. Overall, policies requiring consistent communication with program participants were generally followed.

1. In the audit status report, it was noted procedures were not followed for 12 of the 15 reviewed cases especially in the area of issuance of warning letters. During the implementation of the revised procedures for interlock cases, the manual review of interlock data for over 5,300 program participants resulted in an increase in case processing time. As such, the issuance of correspondence pertaining to interlock violations was moderately delayed. This issue was largely addressed following the implementation of the Administration's new Interlock Monitoring System (IMS) on November 7, 2008. Now, all data is received electronically from

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the Ignition Interlock Vendors, reviewed upon acceptance and pertinent correspondence issued to the customer.¹

In addition, a portion of the interlock correspondence referenced in the report provided violation information for more than one program monitoring period. This resulted in participants being informed of multiple periods of violations in one correspondence. This issue was addressed through a memorandum to IIP staff in April of 2008. This memo clarified that a participant should receive a separate correspondence for each monitoring period where a violation was recorded.

2. We will continue to flag individuals in the program so we can notify the IIP unit of possible violations of the program.

3. We will continue to monitor court order participants and notify DDP of the results of the monitoring.

4. In regards to the supervisor audit review, we would like to note that in five of the eight cases, comments provided by the reviewing manager to IIP staff were intended to highlight appropriate action to be taken at the next review of that participant's case. As such, all recorded comments may not have been fully completed at the time of review by Legislative Audit staff.

¹ **Auditor's Comment:** MVA's response refers to an automated Interlock monitoring system which was implemented in November 2008. Our follow-up review did not include an evaluation of this system because it was implemented after our review had been completed. Accordingly, it will be evaluated during our next fiscal compliance audit of MVA.

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Prior Finding 2

MVA did not ensure that individuals who were assigned to the IIP by the Medical Advisory Board (MAB) had the device installed and MVA did not have procedures to ensure that it was notified of all violations.

Prior Report Recommendation 2

1. We recommend that MVA establish procedures to ensure that the interlock device is installed in the vehicles of all individuals assigned to the IIP by MAB and that it take appropriate follow-up action when individuals fail to have the interlock devices installed, as required.
2. We also recommend that MVA establish procedures to ensure that it receives, from the applicable vendor, a monthly report of interlock activity for each enrollee.

Status - Minimal Progress

Follow-up Response:

1. The MVA diligently followed through with our response to the recommended improvements and is providing the following status update for this audit cite.

In the 2007 Legislative Audit Report, the MVA indicated that it would establish a process for the follow-up of individuals referred by the MAB who fail to have the interlock device installed within 30 days. Subsequent to that report, a process was established whereby the case is monitored through the IIP's existing Document Workflow System. It is important to note that numerous factors (lack of a vehicle, outstanding suspensions, etc.) can impact why an individual may not have a device installed within 30 days of referral by the Medical Advisory Board. In addition, policies and procedures currently exist that prevent an individual from obtaining a license, or accruing credit for their interlock restriction, until both the device is installed and the restricted license issued. This practice is meant to deter the inadvertent issuance of a restricted or unrestricted license.

The MVA believed that the process changes, which were implemented, addressed the original audit recommendation. Based on discussions with the auditors during the follow-up review, the MVA agreed to and implemented additional procedures in September of 2008 to establish specific periods at which the Administration would correspond with the customer.

2. Finally, comment was made regarding the failure of the IIP to ensure that all vendor reports are received from interlock program providers. While the Administration does not contest that previously some vendor reports may not have been provided to the MVA, significant effort has been made to correct this issue. The original response provided by the MVA stated that the

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current process for ensuring receipt of these reports relies completely on manual verification for the more than 5,300 participants each month. In order to improve the reliability of this process, an automated data and monitoring system was developed to record the receipt of reports.

Effective November 7, 2008, the Administration activated the Interlock Monitoring System, an automated business system capable of verifying receipt of vendor reports and providing appropriate notification when a report was not provided. In addition, the system is able to initiate a review of interlock device data, and provide notification to the customer should a violation of program rules occur. The MVA also promulgated regulations governing the business rules of the program for both vendors and participants. These regulations became final on November 3, 2008. The MVA believes that the effort and progress of the IIP monitoring system, one of the first fully automated systems in the country, should be considered in the status of this audit cite.²

² **Auditor's Comment:** MVA's response refers to an automated Interlock monitoring system which was implemented in November 2008. Our follow-up review did not include an evaluation of this system because it was implemented after our review had been completed. Accordingly, it will be evaluated during our next fiscal compliance audit of MVA.

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Prior Finding 16

Sensitive personal and financial information of *eMVA Store* customers was unnecessarily stored in clear text on *eMVA Store* related servers.

Prior Report Recommendation 16

We recommend that MVA work with its service provider to ensure that customers' sensitive information is adequately secured. Specifically, the service provider should remove existing sensitive customer information from its systems or should encrypt and appropriately protect all such sensitive information and/or retain only partial information.

Status - In Progress

Follow-up Response:

On July 30, 2008, the service provider implemented a process to encrypt all necessary files and logs and to remove all unnecessary files and logs. The encryption key was hard coded into the application, which is on a separate server behind the external firewall and within the DMZ.

The customer names and associated drivers license numbers mentioned above are stored in a database table on a server that is not directly accessible from the Internet. MVA is currently testing the use of a third party encryption product to encrypt the contents of the database server. If successful, the product will be applied to the production server mid-January, 2009.

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MVA E-commerce

Prior Finding 21

Controls over the use of a third party to process *eMVA Store* credit card payments were inadequate.

Prior Report Recommendation 21

1. We recommended that MVA use separate accounts for application (that is, credit card) processing and for service management.
2. Additionally, we recommend that the service management and application processing accounts and passwords not be stored on a publicly accessible server or in clear text.
3. We also recommend that MVA notify the third-party firm processing credit cards of the specific Internet addresses that should have access to the service management account.
4. Finally, we recommend that MVA amend the service management option to prevent the processing of refunds for the *eMVA Store*.

Status - Minimal Progress

Follow-up Response:

1. The MVA has established separate third party service provider accounts for application (credit card) transaction processing and service management.
2. The application processing credentials needed by the application to process PayPal transactions has now been encoded and is not readable without decoding. The decoding logic was written into the application, which resides on a separate server.
3. As of July 30, 2008, access to both Pay Pal service and management accounts are restricted to specific IP addresses. MVA did provide specific IP addresses to the third party vendor. The third party vendor created separate application and service management accounts and then restricted the application account access to specific IP addresses.
4. As of July 30, 2008, the role of the service management account has been modified to completely disallow refunds.

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