

BACKGROUND CHECK PROCESS REVIEW

OF

RASIER-PA, LLC

**(a wholly-owned subsidiary of
Uber Technologies, Inc.)**

**Pennsylvania Public Utility Commission
Bureau of Audits
Issued February 2019**

Docket No. D-2018-3003143



**BACKGROUND CHECK PROCESS REVIEW
RASIER – PA, LLC**

TABLE OF CONTENTS

<u>Chapter</u>		<u>Page No.</u>
I.	INTRODUCTION	1
	A. Objectives and Scope	1
	B. Approach and Timeline	2
II.	BACKGROUND	3
III.	DISCUSSION OF FINDINGS AND RECOMMENDATIONS	6
IV.	CONCLUSION AND ACKNOWLEDGEMENTS	18

I. Introduction

All public utilities within the Commonwealth of Pennsylvania, including transportation network companies (TNCs), are subject to the Pennsylvania Public Utility Commission's (PUC or Commission) general administrative power and authority to supervise and regulate under 66 Pa.C.S. § 501(b). Specifically, the Commission can investigate and examine the condition and management of any public utility under 66 Pa.C.S. § 331(a). Furthermore, Act 164 of 2016 (Act of Nov. 4, 2016, P.L. 1222, No. 164) established Chapter 26 of the Public Utility Code which clarified the Commission's role in regulating transportation network companies and outlined the regulatory framework for TNCs. These laws apply to all TNC operations within Pennsylvania except for cities of the first class (i.e., Philadelphia) where, pursuant to 66 Pa.C.S. § 2603(a), the City of Philadelphia regulates TNCs.

In May 2018, the PUC Commissioners directed the Bureau of Audits (Audits) to conduct a performance review of Rasier-PA, LLC's (Rasier-PA) driver background check process within Pennsylvania. This report summarizes the Bureau's work and outlines its conclusions. The findings presented in the report identify areas where weaknesses or deficiencies exist, or additional improvements are warranted. In all cases, recommendations are offered to improve, correct, or eliminate these conditions.

A. Objectives and Scope

66 Pa.C.S. § 2604.2 authorizes the Commission to audit TNCs within its jurisdiction for compliance with applicable laws and regulations. Uber Technologies, Inc. (Uber) is a technology company that owns and operates the Uber smartphone application (Uber App). Rasier-PA is the wholly-owned indirect subsidiary of Uber that is licensed as a TNC in Pennsylvania and subject to the Commission's jurisdiction. Accordingly, the Commission's review focuses solely on the operations of Rasier-PA. Rasier-PA offers several Uber services lines to Pennsylvanians including UberX, UberXL, UberPOOL, etc. Uber is the parent of various other companies and services doing business within Pennsylvania; however, this report is solely focused on Rasier-PA (i.e., the regulated TNC operations within Pennsylvania).

Rasier-PA is the largest TNC operating in Pennsylvania. Therefore, it was selected as the first TNC to be subject to a driver background process review. The background check process review's objectives were:

- To determine compliance with all applicable provisions within Chapter 26 of 66 Pa C.S. and Chapter 29 of 52 Pa Code pertaining to the Company's driver requirements and background check process.
- To identify opportunities for process improvement and develop recommendations to address those opportunities.

- To provide the Commission, Rasier-PA, LLC, and the public an assessment of the company's driver background check process.

The scope of the review was limited to these objectives and further refined as explained below within the Approach.

B. Approach and Timeline

The background check process review was performed by the audit staff of the PUC's Bureau of Audits to assess the effectiveness of Rasier-PA's driver onboarding, background check, and driver quality assurance programs. This qualitative approach focused on the following:

- Review of the general organizational structure and oversight of relevant Uber/Rasier-PA programs;
- Review of the driver sign-up process including required information, timelines, evaluations, etc.;
- Review of all background check policies, procedures, and processes¹;
- Review any processes or methods used to evaluate or reevaluate drivers' performance or qualifications relative to regulatory, internal, or rider quality standards (e.g., star rating system);
- Review of the complaint process and its connection to user safety;
- Identify any methods used to ensure compliance with Pennsylvania laws and regulations; and,
- Identify applicable future changes or initiatives.

Fieldwork began on August 9, 2018 and continued intermittently through January 9, 2019. The principal components of the fact gathering process included:

- Interviews with Uber personnel.
- Analysis of records, documents, and reports of an operational nature. This analysis focused primarily on the years 2015-2018 YTD.
- Demonstrations of the functionality of the Uber App for drivers and customers.

¹ The review of the background check process, policies, and procedures focused on the criminal and motor vehicle background search aspects as well as background check adjudication.

II. Background

Pursuant to 66 Pa C.S. § 2604.1(b)(5), prior to permitting a person to act as a transportation network company driver on its digital network, a TNC shall do all of the following:

- i. Conduct or have a third party conduct a local and national criminal background check for each driver applicant. The background check shall include a multistate or multijurisdictional criminal records locator or other similar commercial nationwide database with primary source search validation and a review of the United States Department of Justice National Sex Offender Public website.
- ii. Obtain and review a driving history research report for the person from the Department of Transportation and other relevant sources.
- iii. One year after engaging a transportation network company driver and every second year thereafter, conduct the criminal background and driving history checks required by this subsection and verify that a transportation network company driver continues to be eligible to be a driver.

Originally founded in 2009, Uber operates its TNC business in Pennsylvania through its wholly-owned indirect subsidiary, Rasier-PA. Rasier-PA, first received authority to operate in Pennsylvania in July 2014 with the approval of its application for Emergency Temporary Authority at docket number A-2014-242993. Act 164² subsequently added Chapter 26 to the Public Utility Code (establishing regulations for TNCs) and on January 26, 2017 at docket number A-2016-2580821, the Commission approved Rasier-PA's application for a license to operate as a TNC in Pennsylvania. Rasier-PA requires prospective driver-partners³ (drivers) to submit personal information (i.e., full name, phone number, address, e-mail address, driver's license information, and Social Security number), vehicle information (insurance, registration, and inspection information), a profile picture, desired service area, and consent to the background screening (i.e., criminal and driver motor vehicle records). Images of the prospective individual's driver's license, proof of insurance, registration, and inspection are also required. Once received, the prospective driver's documentation is reviewed by Uber's document approval agents for validity, searching for signs of fraud or tampering and ensuring consistency in the documentation submitted. Once the documentation is approved by the document approval team, the individual's full name, date of birth, driver's license information and Social Security Number are encrypted and sent to Uber's third-party background check provider, Checkr, Inc. (Checkr), which is accredited by the National Association of Professional Background Screeners⁴.

² November 4, 2016

³ Individuals who use the Uber driver app in Pennsylvania sign a Technology Services Agreement with Rasier-PA to obtain access to the app.

⁴ Accreditation requires the provider's operations to be evaluated against a set of professional standards by an independent auditor. The audit includes a review of the following areas: data information and security, legal and compliance, client education, researcher and data standards, verification service standards, general business practices.

The background check process begins with a Social Security number trace run through commercially available databases. The search verifies the number is not listed on the Social Security Administration's Death Master File⁵ and provides date of birth, known addresses, aliases, and name variations associated with the Social Security number. The search includes credit bureau databases and other public and private databases that collect personally identifiable information from various sources, including employment data, subscription information, commercial shipping information, voter registration, etc. Inconsistencies in the information returned from the Social Security number search will automatically stop the background check and create an exception report. The prospective driver must resolve these discrepancies with Checkr before the individual can move forward in the sign-up process.

The second step in the background check process is a review of the individual's motor vehicle record (MVR). Checkr searches available records using the individual's historical driver's license information to identify the status of the license, restrictions, violations, and accidents in their driving history. All violations are mapped to the American Association of Motor Vehicle Administrators (AAMVA) codes to allow for comparison of state specific violation codes. MVR results are evaluated by Checkr against a set of filters that reflect applicable jurisdictional disqualification requirements. If the MVR contains no disqualifying violations, Checkr automatically begins a criminal records search. A search identifying a disqualifying violation on the individual's MVR will stop the background check process. The prospective driver is given an opportunity to dispute the accuracy of the MVR search with Checkr. If the individual cannot resolve the issue with Checkr, the individual is disqualified based on the MVR results and cannot continue with the sign-up process.

Once the previous steps are successfully completed, Checkr conducts criminal records searches, which review information purchased from commercial databases, and state, national, and international sources. The criminal searches include, but are not limited to, the Dru Sjodin National Sex Offender public website (<https://www.nsopw.gov/>) and all other publicly accessible sex offender registries, national and international watchlists (i.e., FBI, Interpol., etc.), federal crimes recorded in the PACER (Public Access to Court Electronic Records) database, national criminal databases, and state and county court records. Information collected from the searches is then used to direct a search of courthouse records in any county where the applicant has lived or worked in the past seven years and any other counties where information suggests the driver may have a criminal history. The background check provider utilizes a national network of researchers who will physically meet with county court clerks and review files on-site when information is not available online, although in many jurisdictions, county records are available electronically.

Once all searches are complete, Checkr provides a report on each prospective driver to Rasier-PA for review. The report summarizes the individual's information and results from each search (i.e., Social Security number Trace, sex offender registry, global watchlist, national,

⁵ The Death Master File (DMF) is a computer database file made available by the United States Social Security Administration at <https://dmf.ntis.gov/>.

federal, and county criminal, and MVR searches). Rasier-PA's Background Check Adjudication team evaluates the driver's background search report against pass/fail criteria established in Pennsylvania to ensure compliance with requirements established in 66 Pa C.S. § 2604.1 and Rasier-PA's internal minimum standards. The background check process typically takes two weeks to complete from the time a prospective driver begins the process until he or she can receive ride requests.

Once prospective drivers pass the required background checks and all required documentation has been collected, their Uber driver accounts are activated, and such drivers are able to log-in to the Uber App and receive requests for prearranged TNC trips. To help strengthen driver and rider safety during trips, Uber has a toolkit of in-app safety features. The Safety Toolkit includes a Safety Center, Share My Trip, and an Emergency Button. See Finding and Conclusion No. 2 for more information on the Safety Toolkit.

If a rider or driver experiences any issues during the course of a prearranged trip or with the Uber App, complaints can be sent to Uber in a number of ways, such as through the in-app 'Help' menu, online at <http://help.uber.com>, or, in the event of an urgent matter, via the Critical Support Response Line. In addition, drivers may get additional assistance in-person at a Greenlight Hub or through a dedicated driver-partner phone line. Rider complaints, driver complaints, and general user support inquiries are handled by Uber Community Support. Community Support is organized into various groups, each of which address specific types of complaints. Non-safety complaints are handled by customer support agents that specialize in certain issue areas such as Driver Accounts and Payments, Rider Accounts and Payments, Driver Trips, and Rider Trips, among other groups. Safety-related complaints are handled by Community Support's Critical Support group, which is subdivided into specialized teams who will review, and investigate allegations via internal records and interviews with the involved parties.

The Critical Support teams include Urgent Support, Accidents, Incidents, and Safety Cross Support. Urgent Support handles the most serious safety reports and is composed of the Triage and Special Investigation units. Triage makes initial contact with involved users to collect basic information and the Special Investigation unit conducts a substantive, evidentiary review of the safety report. Based on the outcome of the investigation the incident may result in permanent deactivation of the user's account. For more information on Rasier-PA's complaint process, see Finding and Conclusion No. 3.

Rasier-PA testified on June 7, 2018 that it has over 39,000 driver-partners using the Uber mobile platform, providing over 11.4 million rides during the first quarter of 2018. Visitors from 80 countries have used the Uber mobile app to travel within Pennsylvania. On average, the statewide wait time is under six minutes and 90 percent of trips are provided within 20 minutes.⁶

⁶ Rasier-PA statistics within Pennsylvania are an excerpt from testimony by Rasier-PA before the Commonwealth of Pennsylvania House of Representatives – Consumer Affairs Committee at its Public Hearing on June 7, 2018.

III. Discussion of Findings and Recommendations

Our examination of the Background Check and Safety function included a review of the driver onboarding process; driver background check practices; driver and rider complaint handling practices; contracts and service agreements established with Rasier-PA's background check provider; performance metrics and safety statistics; rider and driver mobile in-app safety features; upcoming safety initiatives; etc. Based on our review, Rasier-PA should initiate or devote additional efforts to improving its Driver Background Check Process and Safety functions by addressing the following:

1. Background check monitoring for Pennsylvania drivers can be improved.

Uber Technologies Inc. (Uber) and its subsidiaries, including Rasier-PA, LLC (Rasier-PA), use a private third-party (Checkr), to perform driver background checks for the company. 66 Pa C.S. § 2604.1 requires criminal background and driving history checks to be performed on each TNC driver as part of the sign-up process, one year after onboarding as a driver, and every second year thereafter. Since April 2018, Rasier-PA exceeds these review requirements by performing a full background check on all Pennsylvania drivers annually. In addition, Rasier-PA implemented continuous arrest monitoring services in July 2018.

Continuous arrest record monitoring is available for 70% to 80% of the U.S. However, the service is not available/functional in Pennsylvania for commercial purposes. Although the service provider is integrated with most Pennsylvania counties and jails to obtain arrest information, Rasier-PA indicated that Pennsylvania does not allow the information to be shared for commercial use citing right-to-know⁷ implications thereby precluding Pennsylvania TNCs, such as Raiser-PA, from more effectively monitoring real time criminal records for existing and prospective drivers utilizing its platform at this time.

Rasier-PA's drivers are enrolled in the continuous monitoring service, but notification of new charges would only be provided if the arrest was made in a participating state. Rasier-PA requires its drivers to self-report, but this has inherent limitations. Consequently, in September 2018, Rasier-PA launched the rollout of expanded continuous monitoring service for all its Pennsylvania drivers. This expanded feature provides additional services, including a monthly Global Watchlist search, National Criminal Database search, Sex Offender Database search, the background check provider's proprietary records, and courthouse searches in the driver's county of residence⁸).

Although Rasier-PA exceeds the requirements of 66 Pa C.S. § 2604.1, the company has not been able to respond on a real-time basis when drivers, who originally pass a background

⁷ References the Pennsylvania Right-To-Know Law, P.L. 6, No. 3, of February 14, 2008.

⁸ As of December 2018, all Pennsylvania counties have an online searchable database.

check, subsequently commit an act that disqualifies them from using the platform. In these cases, with the continuous monitoring service currently used, a driver may remain on the platform anywhere from a month to a year after an incident occurs provided that such issues do not come to the attention of Rasier-PA through other avenues such as communications with motor vehicle regulators and driver partners. In addition, the databases are only as good as the information entered, and as such, there is always the possibility of false positives or negatives (i.e., drivers may be incorrectly disqualified or allowed to drive when records are incomplete, mistaken identity, etc.). Although Rasier-PA has acted to strengthen its processes, there are additional actions that could limit risk. Examples are:

- Work towards improving Pennsylvania’s monitoring efforts – Driver records are maintained by local and state government agencies that may not be available for continuous/real time monitoring or interfacing with outside/commercial entities. In some cases, legislative fixes, funding and/or education may be necessary to create a partnership between government and commercial entities when sharing data.
- Expand the geographical area searched in county level continuous monitoring – Restricting the counties searched during continuous monitoring (residency) may result in missed information. If the search were expanded to include surrounding counties or counties in which a driver has indicated that they will offer service, the likelihood of missed information is greatly reduced.
- Fingerprinting would greatly reduce the possibility of false positives/negatives and provide a clearer picture of the counties that should be searched. The county courthouse records should contain final dispositions (e.g. verdict), with the exception of ongoing cases, and clarify instances where no charges were filed, or dropped.

Based on the information collected during fieldwork, additional work is needed to mitigate risks within the background check process. The auditors recognize these options are not without technical, economical, and social challenges, and may involve other constraints that render them inoperative. Certain aspects of continuous monitoring are outside the direct control of Rasier-PA thereby limiting its capabilities. In these cases, Rasier-PA should work with the appropriate stakeholders to reach an acceptable solution for itself and the industry.

2. Uber’s mobile apps offer a toolkit of safety features, but its visibility could be improved.

Because the Uber App is a platform for both riders and driver-partners (collectively, “users”), there are two mobile applications -- the rider app and driver app⁹. The Uber mobile applications (Uber Apps or Apps) allow individuals with an active Uber rider account (riders) to request prearranged rides from drivers who have active Uber driver-partner accounts. As a wholly-owned, indirect subsidiary of Uber, Rasier-PA has a license to use the Uber platform to

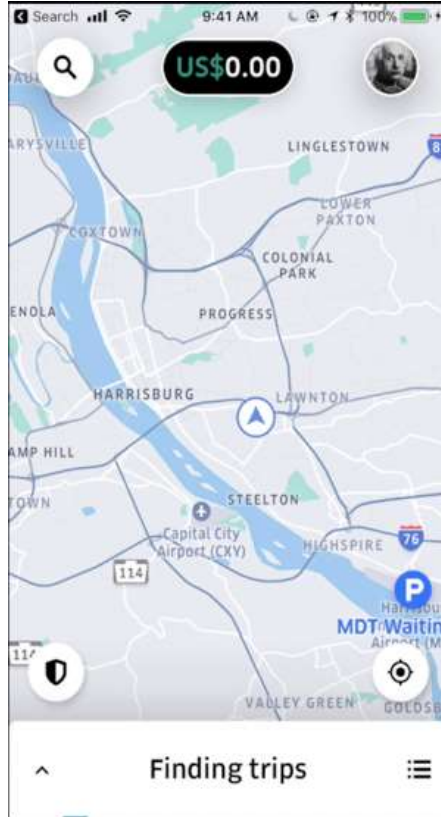
⁹ The Uber Apps for riders and drivers are similar but distinct applications. One app is customized with features and functionalities for riders (rider app) and the other customized with functionalities for driver-partners (driver app).

facilitate rides through various service and vehicle options within Pennsylvania. The Apps provide riders and drivers with an interface to request, complete, pay and leave feedback for a ride.

In addition, the App also features a Safety Toolkit to help ensure rider and driver safety, which launched in the rider app in April 2018 and the driver app in September 2018. The toolkit includes three main functionalities: a Safety Center, Share My Trip, and an Emergency Button. The Safety Center provides users with safety information such as partnerships with law enforcement, information on the driver screening process, insurance protections, and Uber's Community Guidelines. The Share My Trip feature allows users to share their trip information with anyone with internet access (without downloading the Uber App) while a trip is in progress. The Share My Trip functionality was previously launched as Share My ETA in 2013. An additional Trusted Contacts tool was incorporated into the Share My Trip feature which allows users to automatically share trip details with up to five contacts during every ride, with an option to share only trips that occur at night. The details shared with contacts in the Share My Trip and Trusted Contact functionalities include the name and photo of the driver or rider, destination, estimated time of arrival, and real-time GPS location. The Emergency Button connects the user with a 911 dispatcher for immediate assistance. When the Emergency Button is selected the App displays the user's real-time location on the map and a physical address, so the rider or driver can share his or her exact location with the dispatcher. Uber is piloting 911 integration in select markets as part of the Emergency Button feature. 911 integration shares driver information, location, and vehicle information including the make and model of the vehicle and license plate number automatically with the 911 dispatcher when the Emergency Button is selected.

The Safety Toolkit is accessible during a ride, or anytime a driver is logged into the Uber App and available to receive trip requests, appearing as an icon on the main map-screen. Rasier-PA noted that the design of the Uber App, including the Safety Toolkit, was developed with user feedback in mind and is continuously evaluated through focus groups and beta testing. The icon's placement on the main screen makes the Safety Toolkit easily accessible to users without navigating through multiple menus; however, we believe the formatting can be improved to assist users. We contend the icon is inconspicuous and blends into the map. Exhibit III-1 shows the main map-screen of the driver app including the Safety Toolkit icon, depicted as a black and white shield in the lower left-hand corner of the App screen.

**Exhibit III-1
Rasier-PA
Driver App View of the Safety Toolkit
November 14, 2018**



Source: Data Request BCP-16

Uber contends both riders and drivers are made aware of Uber App features such as safety tools when they sign up for an Uber account and through other communications, including emails, in-app notifications, blog posts, and marketing campaigns (e.g., television commercials, feature release events, etc.). Audit staff downloaded the Uber app as a new rider, however in our opinion the sign-up process did not sufficiently highlight the Safety Toolkit. Rasier-PA's efforts may increase awareness of safety features, as shown in Exhibit III-1, but the design of the Safety Toolkit icon does not stand out against the App's trip background map and has no distinguishing feature compared to other in-app functions. Research suggests that during emergency situations individuals may experience impaired cognitive functioning and take ineffective actions¹⁰. As a result, users may not remember the features or overlook the Safety Toolkit icon in an emergency. Optimizing the visibility of the icon utilizing bright colors, sizing, positioning, etc. is a simple method

¹⁰ Research suggests that in emergency situations the activity of the frontal cortex, which is responsible for attention, working memory, problem solving, etc. decreases which can result in impaired cognitive functioning and ineffective actions in an emergency. Robinson, S. J., & Bridges, N. J. (January 2011). Survival – Mind and Brain. *The Psychologist*, 24. Retrieved from <https://thepsychologist.bps.org.uk/volume-24/edition-1/survival-%E2%80%93-mind-and-brain>

to help users more easily identify the icon in an emergency. For instance, many corporations utilize an icon for easy brand or feature recognition. The American Red Cross icon gives that organization a very powerful icon that is recognized by all, even in disaster conditions. At a minimum, a focus group should explore different options for the Safety Toolkit including, sizing, color, and position while retaining the Safety Toolkit's accessibility.

3. Rasier-PA is unable to reach a definitive conclusion in many complaint investigations due to incomplete information.

Drivers and riders who use the Uber App can file complaints through the Uber App 'Help' menu, online at <https://help.uber.com/>, or through the critical safety response line¹¹. Moreover, driver-partners can also file complaints or ask for assistance in person at a Greenlight Hub¹² or through a designated driver support line. Uber Community Support is responsible for handling user (driver and rider) complaints and providing general user support. Based on the nature of a complaint, it is routed to the appropriate Community Support Team for review and investigation. Uber Community Support's primary mode of communication with riders and drivers is through the Uber App. All safety¹³ related complaints (both driver and rider) are handled by Community Support's Critical Support group. A separate group within Critical Support, the Urgent Support unit, handles the more serious safety complaints (i.e., physical or sexual assault, violence, etc.).

Urgent Support immediately deactivates, or waitlists, any user account for serious safety allegations, pending the outcome of the investigation. In addition, other safety-related allegations that are less severe and not considered "Urgent", also result in temporary account deactivation. Driver-partner and rider accounts will be permanently deactivated for serious safety or policy offenses such as violence, sexual misconduct, harassment, discrimination, fraud/illegal activity, etc. Clear and definitive complaint investigations are deemed substantiated, containing sufficient information (as defined by Uber) and the user would be deactivated at that time. However, according to Rasier-PA, most cases are considered to contain insufficient information, or otherwise unsubstantiated, to definitively reach a conclusion. Often a definitive conclusion cannot be reached because the complaint investigation reveals conflicting reports from the parties or yields little information to support or disprove allegations. Generally, if the information available in a serious safety complaint is insufficient to reach a conclusion, the user is deactivated if they have more than one serious, albeit not fully substantiated safety allegation on their account. In these instances, the recurring nature of serious safety allegations, although unsubstantiated, is considered sufficient evidence to deactivate the user.

¹¹ The critical safety response line is a phone line dedicated to addressing safety related incidents, accidents, and complaints related to impaired driving.

¹² Greenlight Hubs are physical driver support locations. Users can find their nearest location on the Uber website.

¹³ Any event involving dangerous driving, health or self-harm, inappropriate post-trip contact, law enforcement, physical altercation, sexual assault, sexual misconduct, substance abuse, theft or robbery, verbal altercation, vehicle crash/claim, or other potential safety concerns.

Less serious safety allegations, such as minor verbal altercations and dangerous driving (e.g., speeding, harsh braking), do not result in temporary account deactivation while the allegations are investigated. However, based on the outcome of an investigation into those allegations or a determination of a pattern of behavior that violates Uber's policies, users may have their Uber accounts permanently deactivated and no longer be able to provide or receive service. These types of complaints are deemed valid or invalid based on the details provided within the complaint. Regardless of whether a complaint is deemed valid or invalid, the accused party receives a notification from Rasier-PA and a corresponding note is added to that user's account. However, it is worth noting that for cases in which a complaint is deemed invalid, such complaint would not be counted against the user as a disqualifying offense in the adjudication of a pattern of behavior that warrants permanent account deactivation. Typically, if a reasonable level of detail is provided, the complaint would be considered valid. Notifications advise the user of the allegation (ensuring that the details do not identify the reporting party), provide a reminder of the policy that has allegedly been violated, and inform the user that additional reports could result in permanent account deactivation. Rasier-PA governs these low severity safety concerns through two types of thresholds: lifetime and dynamic. A lifetime threshold results in deactivation after three valid complaints. Meanwhile, dynamic thresholds are based on a driver's lifetime trip count with a customized deactivation threshold for each driver. User's star ratings¹⁴ capture most non-safety issues and may lead to deactivation from falling below the minimum rating threshold.

Once Rasier-PA identifies and confirms a serious safety violation or identifies a pattern of behavior that violates Uber's policies, it immediately moves to deactivate the user's account. However, as discussed previously, Rasier-PA indicated that most complaint investigations do not yield enough information to justify an immediate deactivation. Thus, most safety-related deactivations occur as a result of patterns of behavior. During the period from January 1, 2017 through August 31, 2018, approximately 10% of all complaints were safety related (as defined by Rasier-PA) and of that subset, roughly 5% led to permanent account deactivation¹⁵.

Rasier-PA should explore ways to mitigate the level of incomplete information in the complaint investigation process by leveraging technology. For example, Uber is working on several initiatives that could provide additional data for investigations or new features that may help provide definitive proof of a violation. Other potential solutions may be offered through the App or existing technology (i.e., using forward/rear facing dash cams or smartphone recording capabilities, feedback from device features such as the accelerometer, device metadata, etc.) Some of this data is already captured or used when available but additional effort should be made to reduce insufficient, invalid or false information.

¹⁴ Following each trip drivers and riders have an opportunity to rate their experience with the opposing party by selecting between 1 and 5 stars and may provide written feedback about their experience. The feedback received by a driver or rider is accumulated to form an overall user rating.

¹⁵ Deactivations are not necessarily the direct result of a safety related complaint: driver-partners may be deactivated due to very serious safety allegations, a pattern of alleged unsafe behavior, or behavior that violates company policy.

4. Driver deactivations due to safety concerns are not shared by companies providing transportation services.

The introduction of TNCs drastically increased competition for personal transportation services. Many markets in Pennsylvania now offer multiple avenues to obtain and provide personal transportation services including, TNCs, taxis, limousines, etc. In addition, the TNC model takes advantage of the “shared economy” concept allowing for drivers to offer services on a discretionary basis. This model incentivizes drivers to offer service to meet demand. However, the model does not eliminate TNCs exposure, like traditional transportation services, to unprofessional or inappropriate drivers or riders.

To mitigate these concerns, Rasier-PA performs annual background checks on driver-partners and enrolls them in a continuous monitoring service as outlined in Finding and Conclusion No. 1. Additionally, Rasier-PA has a robust user complaint and investigations process which can result in user account deactivation as outlined in Finding and Conclusion No. 3. However, there is no avenue for driver-partner or rider account deactivations to be shared between transportation providers.

Due to the nature of the annual background check process and the inherent limitations associated with a continuous monitoring service for Pennsylvania drivers, serious or recurring safety related incidents may not be known to other industry participants (e.g., Lyft) for an extended period, if ever. Safety issues that result in account deactivation from a TNC app or termination from a traditional vehicle-for-hire company may not be reported to authorities. Therefore, these types of indiscretions may be sufficient for termination or removal from the app but would not appear in an annual background check or continuous monitoring service search. Rider backgrounds and app access are beyond the scope of this review, but these same conditions may exist for riders, and should be further explored.

Clearly, if a serious incident is reported to proper authorities, it would be entered into an individual’s record. However, when safety incidents are not reported, the offending party may begin or continue driving for another market participant. The audit staff contends this deficiency is a product of a competitive market. Rasier-PA, all other TNCs, taxi cab companies, etc. should explore ways to use driver history and deactivation information to strengthen industry safety. How should serious safety concerns be captured and shared between market participants when they are not required to be reported to proper authorities?

One avenue would be to create a shared database of deactivated TNC drivers and riders, which includes information on the safety incidents related to the deactivation. The TNC or transportation service provider could consider this information when onboarding a new driver or through real time information sharing to further support complaint response. The database could serve as a reference check within the industry whenever a driver is subject to a background check. It could also provide real-time capabilities similar to those presented in Finding and Conclusion No. 3. The database could be created through a joint effort between vehicle-for-hire service providers, a service offered by third-party background check providers, or in concert with

governmental agencies. Details of how the resource would be used and account for implications such as privacy concerns, liability, differences in participant practices, user complaints, etc. would need to be considered and may require legislative/ regulatory action. Regardless, the success and sustainability of the vehicle-for-hire industry is grounded in the safety of the services, and initiatives to identify and share information on “bad actors” would help to strengthen the safety of Rasier-PA’s users and the industry.

5. Rasier-PA has safety initiatives that have not been completed or rolled out to all users.

Rasier-PA indicated that the safety of riders and drivers is of paramount importance. As such, Rasier-PA is developing and testing several safety related initiatives as outlined below.

- As introduced in Finding and Conclusion No. 2, the Safety Toolkit includes an Emergency Button that connects the user directly with a 911 dispatcher for immediate assistance. A potential new feature of the Emergency Button being explored by Uber automatically provides the 911 dispatch system with key details such as the driver’s vehicle make and model, license plate number, users location, etc. when the user is connected with 911. As of November 2018, the 911 integration feature was being tested in select markets.
- Another initiative being considered is a Ride Check feature. The potential functionalities of the feature are still being examined, but during the testing phase, the feature monitors the driver’s and rider’s phone accelerometer to identify aberrations such as an abrupt halt or extended stop. If accelerometer data suggests an accident may have occurred, the rider and driver will be contacted for verification purposes. As of December 2018, the feature was being tested in select markets.
- On October 24, 2018, the Pennsylvania Legislature at P.L. 705, No. 108 added 75 Pa C.S. § 4307 (c.1) which relates to TNC drivers use and display of illuminated signs¹⁶. As a result of this change, Rasier-PA is exploring the use of colorized beacons in driver’s vehicles to help riders identify the correct vehicle at the pick-up location. The initiative is in its early stages in Pennsylvania, but Rasier-PA management provided an overview of the feature which is already operational in some areas outside of PA. For each trip, the rider would select a personalized color from a color wheel that would change the color of the beacon in the driver’s car to the same color. The feature will ensure riders locate the correct vehicle, especially in busy or crowded areas.
- Uber is also exploring changes to the driver app to add voice command functionality. The voice activation features are early in development but will ultimately allow for hands-free operation of the driver app.

¹⁶ A TNC driver may display an illuminated sign provided by a TNC within the interior of their vehicle. The sign must be approved by the PUC or Philadelphia Parking Authority, as applicable. 75 Pa C.S. § 4307 (c.1) is effective 60 days from October 24, 2018.

Initiatives improving driver and/or rider safety, such as those outlined above, should be evaluated and if appropriate, implemented in a timely manner. The development, testing, and rollout of new features and processes can be time-consuming and as a result, Rasier-PA's users cannot realize the benefits of these added safety features immediately. The Audit staff believes the initiatives being developed and evaluated by Rasier-PA would help to improve driver and rider safety in Pennsylvania. Efforts should be made to finalize and implement such initiatives in a timely manner.

6. Rasier-PA has some performance metrics in place, but no goals have been established.

Uber captures and tracks data by region throughout the U.S. because operations are managed at a regional level, and because holistic safety and insurance metrics are tracked across multiple states. Rasier-PA is part of Uber's Northeast region¹⁷. Uber uses this data to create metrics, which are then used to monitor operations and support business decisions. Due to the limited scope of this review, the auditors focused on three main functional areas of the business: Community Support, Operations, and Background Checks.

- Community Support is primarily responsible for managing user complaints and the associated investigation processes. In its role, Community Support monitors complaints by complaint category, complaint investigation classifications, and user deactivation statistics. In addition, Community Support routinely monitors information and metrics related to support costs, user contact, and customer satisfaction.
- Rasier-PA's Operations group is responsible for the general management of ride operations including regulatory compliance, growth projections, financial management, etc. Operations routinely monitors information and metrics related to rider engagement, the operating market, driver engagement, driver quality and satisfaction, community support contact, and driver "conversion" (from sign-up to first-trip).
- Checkr's performance and the background check process are monitored through language in the service level agreements established in the contract, meetings between representatives of the company and Checkr, and various performance metrics. Background Check Operations monitors information and metrics related to the quantity, turnaround time, pass/fail rate, completion status, etc. of background checks.

Although Rasier-PA's operating groups are tracking a core set of operational data and associated metrics, the auditors noted multiple areas where information is not being tracked. For example, the Safety Toolkit (see Finding and Conclusion No. 2 for additional information) provides users with features to help ensure their safety during a trip. Rasier-PA does not monitor the use of these specific App features. This type of information could be used to assess the functionality of the App. Specifically, it could support the need for a change, as recommended in Finding and

¹⁷ The Northeast region is comprised of New York, New Jersey, Connecticut, Pennsylvania, Delaware, Maine, New Hampshire, Vermont, Rhone Island, and Massachusetts

Conclusion No. 2 or identify new services/features, training, education, etc. Furthermore, management in Rasier-PA's Community Support group indicated that the complaint channels utilized by users to file complaints were not tracked. Knowing how users file complaints would help the company understand user familiarity with options, preferences and habits for filing complaints, and identify the need for changes in complaint channels to meet customer demands or expectations.

In addition, Rasier-PA has not established performance goals or optimal targets for any of the metrics reviewed by the auditors. Instead, Rasier-PA management indicated that, in general, certain metrics are managed with loose guidelines (i.e., to track high or low) but no goals have been established. Establishing performance goals would assist management in more quickly and easily monitoring key aspects of business performance, indicate how well the company is performing and drive improvement. An effort should also be made to reevaluate business processes and existing metrics to identify areas where establishing additional performance indicators and goals could provide value to the organization. As Rasier-PA and the TNC industry mature, regulators and other stakeholders are likely to become increasingly interested in Rasier-PA's performance, particularly in areas related to safety, customer service, governance, and operating efficiency. Tracking additional metrics (e.g., safety complaint percentage, deactivations by cause, refunds from complaint, incorrectly routed complaints, etc.) and establishing goals for critical metrics (e.g., safety related deactivations, driver conversion, critical support ticket resolution time, etc.) will help drive improvement and help satisfy stakeholder needs.

7. Rasier-PA's documentation of policies and procedures are not formalized.

As a newer company, Rasier-PA is still maturing, and based on our experience within this review, the company needs to refine and formalize business policies and procedures. Procedures typically embody the principles established in policies and outline the specific actions to be taken in daily operations. Procedures should be comprehensive, explaining what is to be done, when it should be done, the responsible parties, identify limitations, define terms, etc. Alternatively, policies provide a high-level overview of a procedure/practice that embodies an organization's long-term goals, objectives, and mission. Often, policies and procedures are intertwined, encompassing a single documented work task or area. In general, the policy and procedure documents reviewed by the auditors lacked the structure and standard elements of formalized policies and procedures. The documents provided are better categorized as process overviews. Management conceded that many of these documents were overview documents, but internal mapping tools and workflows contained information used by employees.

Rasier-PA's Community Support group provided a sample of these workflows that outlined, step-by-step, how certain processes are to be executed. The sample workflows were detailed and resembled procedures, containing most elements typically found in procedural documents such as term definitions, group(s) responsible for handling certain complaint types, references to related procedures, and instruction for handling the specific task. However, management indicated these tools/workflows were embedded within operating systems and not

contained in standalone procedures making them difficult to reproduce for third-parties (e.g., the audit staff). The tools and workflows provided to audit staff did have document control features; however, audit staff believes they lack key features of policies and procedures.

The documentation provided to the auditors related to the driver onboarding process were user-facing documents including but not limited to terms of use, privacy policy, vehicle requirements, and Pennsylvania compliance information. Internal policies and procedures outlining the onboarding process were not provided. The audit staff noted that driver onboarding does not follow a standardized process and parts of the process can be performed in parallel. A prospective driver must only provide their personal information including their Social Security number, valid driver's license, and consent to the background check before the process begins. Other requirements such as insurance information and proof of insurance, vehicle information and an image of the vehicle registration, and inspection sticker image can be provided at any time¹⁸. Although some requirements are automatically screened by system logic, the process is still largely manual. The complexities of the onboarding processes, its manual nature, and the lack of formalized policies and procedures, increases the likelihood of processing errors or inefficient operations.

Uber has engaged PricewaterhouseCoopers (PwC) to perform an audit of the company's internal procedures. The PUC audit staff recommends that Uber use that engagement as an opportunity to further document and improve internal documentation, policies, and procedures. As of November 2018, the audit was in its initial stages and a completion date was unknown. Nonetheless, internal policy and procedure documentation is needed to outline the company's preferred method for performing the driver onboarding process. Creating formalized policies and procedures across the organization may provide operational and performance benefits, and as the company matures, satisfy the needs of external stakeholders such as investors and regulators.

¹⁸ Although there is not defined process or order in which information is received and processed all required information must be received, reviewed, and approved prior to a driver being activated on the Uber driver app.

Recommendations

- 1. Strengthen the background check process and continuous monitoring features.**
- 2. Redesign the Safety Toolkit icon allowing for quicker and easier identification.**
- 3. Explore ways to reduce the level of insufficient information in the complaint investigation process.**
- 4. Partner with all transportation market participants to explore the development of a database to readily identify deactivated users to supplement the driver background check monitoring process.**
- 5. Complete the development and implementation of key safety related initiatives.**
- 6. Reevaluate tracked performance metrics and establish goals for critical metrics.**
- 7. Formalize business process and procedure documentation.**

IV. CONCLUSION AND ACKNOWLEDGEMENTS

The scope of this engagement was limited to the assessment of the driver background check process and related safety aspects of Rasier-PA's operations and was not designed to review all business functions. All deficiencies identified, regardless of their relation to safety, are presented above and were developed based upon the information provided by Uber, Rasier-PA, and publicly available sources during field work. The findings and recommendations represent the auditors' opinion based upon the information collected and may not account for future changes to TNC regulation, technology, operation, competition, etc. It should be noted that the company has many options to implement the recommendations. As a result, the auditors did not estimate implementation costs for the recommendations. In certain situations, the cost of implementation could be significant.

We wish to express our appreciation to the officers and staff of Uber and Rasier-PA for their cooperation and assistance. The audit was conducted by Deron Henry, Barry Keener, and Jacob Fultz of the PUC Bureau of Audits.

