



**Washington Metropolitan Area Transit Authority
Inspector General's Semiannual Report to the
Board of Directors, No. 7
July 1, 2010—December 31, 2010**



Photo of the new Metro Bus Paint and Body Shop at Carmen Turner Facility, under construction, funded through the American Recovery & Reinvestment Act.

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INSPECTOR GENERAL'S MESSAGE TO THE BOARD OF DIRECTORS

January 26, 2011

We are pleased to provide this Semiannual Report on the activities and accomplishments of the Washington Metropolitan Area Transit Authority (WMATA) Office of Inspector General (OIG), from July 1, 2010, through December 31, 2010. The audits, investigations, and other activities highlighted in this report illustrate our on-going commitment to promoting accountability, efficiency, and effectiveness in WMATA's programs and operations.

Over the last six months, OIG issued 58 audit products, including audit reports, alternative audit products, and audit waivers. We reviewed pricing information in contractors' proposals with a value of \$8,343,271 and suggested \$481,321 in net audit adjustments. We also closed 15 investigations and processed 151 complaints.

In addition, in order to provide special attention to the issue of safety after several accidents in 2009 and early 2010, we conducted a "controlled self-assessment" to evaluate the effectiveness of safety internal controls in the Office of Track and Structures Systems Maintenance (TSSM) from the employees' perspectives. The data we gathered from surveys and facilitated meetings with staff at all levels were summarized in a non-audit report entitled *Controlled Self-Assessment – Employee Safety in the Office of Track and Structures Systems Maintenance* and issued in September 2010. The report is discussed in more detail herein. Management has developed a Corrective Action Plan and is in the process of addressing the issues and recommendations in the report.

OIG was extensively involved during this period in the drafting of a revised policy on Whistleblower Rights and Responsibilities to implement a Board initiative to strengthen protections for employees against retaliation for certain types of disclosures, including those related to violation of law, fraud, gross mismanagement and safety-related matters, among others. The new policy highlights OIG's role in investigating claims of whistleblower retaliation. The revised policy was adopted by the Board and implemented by management through a Policy Instruction in July 2010.

Our office was one of the hosts of the Sixth Biennial National Fraud Awareness Conference on Transportation Infrastructure Programs held in Arlington, VA from July 26 to 29, 2010. The conference was co-sponsored by the U.S. Department of Transportation Office of Inspector General, the Federal Transit Administration, and the American Association of State Highway and Transportation Officials, among others. Our managers were extensively involved in the planning of the training sessions, and several of our staff and I were presenters, as discussed in more detail below under "Accomplishments." We received a Certificate of Appreciation from the sponsors for our participation.

I would like to thank the Board of Directors and the General Manager for their continued support and look forward to working with them in furthering our mission and core values, as well as in promoting a safe and effective transit system.

/s/

Helen Lew
Inspector General

INTRODUCTION

On August 19, 2009, the WMATA Compact was amended to recognize the OIG by statute. Board Resolution 2006-18, approved April 20, 2006, originally established the OIG to conduct and supervise audits, program evaluations, and investigations relating to agency activities; promote economy, efficiency, and effectiveness in WMATA activities; detect and prevent fraud and abuse in WMATA activities; and inform WMATA officials and the Board of Directors about deficiencies in WMATA activities, as well as the necessity for and progress of corrective action. The OIG follows generally accepted audit standards for all audits, and supervises WMATA's annual independent audit of financial reporting. The Inspector General (IG) reports to the Board of Directors (Board) through the Board's Audits and Investigations Subcommittee. The IG prepares a Quarterly Report to the Board's Audits and Investigations Subcommittee and a Semiannual Report to the Board of Directors.

The OIG began operations on May 14, 2007, when the current IG came on board. A mission statement and core values have been developed for OIG and are provided below.

Mission Statement

The OIG supervises and conducts independent and objective audits, investigations, and other activities of WMATA's programs and operations to promote economy, efficiency, and effectiveness, as well as to prevent and detect fraud, waste, and abuse in such programs and operations. We provide advice to the Board and General Manager to assist in achieving the highest levels of program and operational performance in WMATA.

Our Core Values are:

Excellence in our people, our processes, our products, and our impact;

Accountability and compliance with professional standards; and

Integrity in everything we do, ensuring that our products are fair, balanced, and credible.

Excellence - We have a commitment to excellence in the performance of our mission.

- We value a diverse, educated, and highly trained workforce that reflects independence, initiative, and mutual respect.
- We value operating within an objective code of standards, yet remain open to new innovations.

We support WMATA's vision of providing "The Best Ride in the Nation" and its values of safety, professionalism, integrity, continuous improvement, and respect for all.

Accountability – We insist on high standards of professional conduct from employees at all levels and compliance with professional standards to ensure the Board and management can rely on our products.

- We have confidence in the accuracy of our work and that our results hold up to professional scrutiny.
- We encourage an environment of risk-free communication and promote an open, honest, and respectful exchange of ideas and information.

Integrity - We strive to maintain the highest level of trust and integrity in all of our activities and the approach we take in accomplishing our mission must reflect fairness, balance, and credibility.

- The personal and professional qualities of our employees include honesty, respect for others, and freedom from bias.
- We value and protect our access to information recognizing that reputations, public confidence, and lives can be affected by our actions.

OIG Staff

OIG is made up of two components – Audit and Investigations. The Audit component is comprised of three audit teams: contracts, internal operations, and information technology. OIG audits examine the performance of WMATA programs and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of WMATA programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout WMATA. OIG audits are performed with OIG's own resources, or OIG oversees audit work done by outside audit firms.

The Investigations component of OIG conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to WMATA programs and operations. OIG investigations can lead to criminal prosecution, civil penalties, disciplinary action, and/or administrative action. The Investigations component handles the OIG Hotline, including in-take of complaints and determining the appropriate handling of them. Complaints may be investigated by OIG or referred to management, the OIG Audit component for audit consideration, or another agency, as appropriate.

OIG had 26 full-time employees as of December 31, 2010, the majority of whom do audits. Our staff is comprised of auditors, investigators, an information technology specialist, and an office administrator with educational backgrounds in accounting,

finance, computer science, law, criminal justice, management information systems, and business. Seven of our staff have graduate degrees; and more than half of the staff have professional certifications as accountants, internal auditors, fraud examiners, investigators, information systems auditors, computer forensic examiners, information systems security professionals, government financial managers, and inspectors general.

AUDITS

During this reporting period, we issued 58¹ audit products in the form of audit reports and alternative products, such as attestations and alert memoranda and audit waivers.

Audit Resolution and Follow-Up

Board Resolution 2006-18 requires us to provide Semiannual Reports listing each report for which management has not completed corrective action. Table 1 shows recommendations described in the previous Semiannual Report (SARS) on which corrective action has not been completed as of December 31, 2010.

Summary of Audit Reports Issued

We issued five audit reports during this reporting period. These reports are listed in Table 2 and are summarized below:

- **Review of Emergency Plans for Critical Information Technology Operations and Financial Systems** – (Information Technology No. 11-001, issued September 24, 2010).

We conducted an audit of the Emergency Plans for Critical Information Technology Operations and Financial Systems. The objectives of the audit were to determine (1) the status of WMATA's Department of Information Technology's (IT) contingency plans for critical information technology operational and financial systems, as well as the risks of not having fully developed plans, and (2) the status of WMATA's disaster recovery back-up facility and the risk associated with not having a fully operational back-up facility.

We found that: (1) WMATA has not fully developed IT contingency plans for critical IT operational and financial systems and, as a result, there is a risk of costly service interruptions; and (2) WMATA's disaster recovery back-up location at the Carmen Turner Facility is not fully operational, and redundant processing of critical applications cannot be performed, which further increases the risk of service interruptions.

¹ This number includes two financial statement audit-related reports that were prepared by the external auditor.

Based on the above findings, we made five recommendations to the Deputy General Manager Administration/Chief Financial Officer (DGMA/CFO).

In the DGMA/CFO's September 20, 2010, response to a draft of this report, she indicated general agreement and concurrence with our findings and recommendations.

- **Review of Monthly Reports on Bus Ridership and Revenue** – (Internal Operations No. 11-001, issued September 22, 2010).

We conducted an audit of Bus Ridership and Revenue. The objective of the audit was to determine if the monthly financial reports that are submitted to the WMATA Board of Directors relating to ridership and revenue are accurate, complete, and supported by proper documentation.

We found that: (1) bus revenue and ridership information contained in the Monthly Financial Report was not complete, accurate, and consistent. We identified five factors that significantly contributed to incomplete and inaccurate bus revenue and ridership information. Specifically, we found that: (1) data captured by the bus operators were not accurate; (2) some buses were not probed daily as required; (3) farebox data were not always fully uploaded in a timely manner; (4) farebox malfunctions were not always properly handled; and (5) bus ridership information was not reconciled. We made seven recommendations to the General Manager based on our findings.

In the General Manager's September 17, 2010, response to a draft of this report, he concurred with our findings and recommendations. He also submitted a Corrective Action Plan with milestone dates to address the seven recommendations.

- **Audit of Fiscal Year 2009 Accruals and Year-End Spending** – (Contract Audit No. 10-028, issued July 12, 2010).

We conducted a performance audit of procedures and controls over accruals and year-end spending to determine whether: (1) WMATA recognized pension and other post-employment benefits (OPEB) costs in accordance with generally accepted accounting principles (GAAP); (2) fiscal year-end accruals recorded by WMATA were proper; and (3) year-end spending, including prepayments, was appropriate and recorded in the proper period.

We had three audit findings; we found that WMATA: (1) recognized pensions and OPEB costs for non-represented employees in accordance with GAAP, although some of the transactions/economic events for OPEB were recorded outside the financial management system; (2) journal entries for year-end accruals were

generally proper, but there were some exceptions; and (3) year-end spending was generally appropriate and recorded in the proper period. We also noted one incident in which WMATA did not properly safeguard and account for its assets. Based on the above findings, we made three recommendations to the DGMA/CFO.

In the DGMA/CFO's July 6, 2010, response to a draft of this report, she indicated general agreement/concurrence with our findings and recommendations.

- o **Financial Statement Audit Reports**

Clifton Gunderson, LLP, Certified Public Accountants & Consultants (CG) conducted the audits, and we performed oversight and monitoring procedures to ensure completion of the audit deliverables. In October 2010, we received the financial statement audit and related reports² – **WMATA's Basic Financial Statements Years ended as of June 30, 2010 and 2009 with Independent Auditor's Report** and **WMATA's Single Audit Report for the year ended June 30, 2010**, which includes the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards* and the *Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.

WMATA received an unqualified or "clean" opinion on its comparative financial statements. The *Independent Auditor's Report* contained one material weakness,³ three significant deficiencies in internal control over financial reporting,⁴ and four significant deficiencies in internal control over compliance.⁵ The one material weakness relates to information system access. The three significant deficiencies in internal control over financial reporting relate to data back-up, information system change management, and the capital asset report module (repeats from previous years). The four significant deficiencies in internal control over compliance relate to: inconsistent performance of Davis Bacon Act procedures; inconsistent performance of suspension and debarment procedures;

² The WMATA Board accepted the reports on October 28, 2010.

³ A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

⁴ A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

⁵ A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

inadequate safeguards over access to facilities; and inability to provide sufficient data for Charter Services. Management generally concurred with the auditors' findings and recommendations and proposed corrective actions to address them.

Summary of Alternative Products Issued

From July 1, 2010, through December 31, 2010, we issued 47 attestation reports.

Our attestation engagements are performed within their stated scope and objective(s) as agreed with management and can cover a broad range of financial and non-financial subjects. They can also be part of a financial audit or performance audit. Because these reports generally involve contractor proprietary information, the reports are not posted on the OIG website and are not publicly distributed. A compilation of our attestation reports/certifications appears in Table 2.

Some key types of attestation reports issued by OIG include pre-negotiation, billing rate, and pre-award reviews. These are described more fully below along with the number of such reports issued this reporting period.

- **Pre-negotiation Attestation Reports** (5 reports).

This type of report generally relates to a review and analysis of a contractor's proposal to determine if the pricing information is current, accurate, and complete and ties back to the contractor's accounting systems. One of these reports (OIG 11-001) involved a contract that included funding under the American Recovery and Reinvestment Act (ARRA) of 2009. During the reporting period July 1, 2010, through December 31, 2010, we reviewed pricing information with a proposed value of \$8,343,271 and suggested \$481,321 in net audit adjustments.

- **Billing Rate Attestation Reports** (28 reports).

At the request of WMATA's Office of Procurement and Materials (PRMT), we review the billing rates submitted by contractors and subcontractors to PRMT for approval. The primary objective of this review is to verify the basis of the billing rates and the support for the cost elements (base wage rates and overheads) included in the contractor's proposal and to ensure that the pricing information is current, accurate, and complete. The results of our review are sent to PRMT for use in the negotiation process.

- **Pre-award Attestation Reports** (9 reports).

Prior to the final determination of a contract award, the Contracting Officer sends financial data (Income Statements, Balance Sheets, Retained Earnings Statements, Source and Application of Funds and related notes), submitted by the prospective contractor to the OIG for evaluation. We conduct an agreed-upon

procedure review to determine if the contractor has adequate financial resources (going concern) and whether the contractor meets the applicable standards for a responsible prospective contractor.

○ **American Recovery and Reinvestment Act Attestation Reports** (3 Reports).

At the request of WMATA's PRMT, we agreed to review WMATA's Job Creation Reporting under ARRA of 2009. The ARRA Capital Program for this Act was established by WMATA's Board of Directors for the purpose of funding specific projects identified by management for the purpose of (1) preserving and creating jobs and promoting economic recovery, (2) assisting those affected negatively by the recession, and (3) investing in transportation infrastructure that will provide long term economic benefits. The objectives of our review were to determine whether this project is (1) preserving and creating jobs and (2) meeting the reporting of job data under the ARRA requirements.

○ **Other Attestation Reports** (2 reports).

We performed other attestation services as requested by management PRMT, including Advisory Memoranda on contract issues and attestation reviews of contractor claims.

Other Audit Products

During this reporting period, we issued two Alert Memoranda⁶ (see Table 3). We also issued four audit waivers in response to requests from contracting officers to waive audits of cost and pricing information when this information is available and considered adequate.

NON-AUDIT PRODUCT

We issued one non-audit product during this reporting period (see Table 3):

Control Self-Assessment - Employee Safety in the Office of Track and Structures Systems Maintenance – (Internal Operations No. CSA 11-001, issued September 8, 2010).

- OIG conducted a Control Self-Assessment (CSA) on employee safety in WMATA's Office of Track and Structures Systems Maintenance (TSSM). The CSA process utilized controlled workshops during which employees gave feedback on the adequacy of safety controls in TSSM. The objectives of the CSA were to: (1) examine the effectiveness of safety internal controls from TSSM employees' perspective, and (2) find solutions that will help eliminate or reduce preventable rail-related accidents.

⁶ These pertain to matters that are either outside the objectives of an on-going audit or are identified while engaged in work not related to an on-going assignment and require immediate management action.

The results indicate that TSSM employees do not believe WMATA provides them a safe working environment. Employees identified numerous issues to support their concerns about safety. OIG focused on 16 issues that fell into three categories: (1) the work environment is not safe, (2) training is not adequate, and (3) both internal and external communications are not effective. We made 19 recommendations to the General Manager to address the safety issues and concerns identified during the CSA.

The General Manager provided us with a revised Corrective Action Plan with milestone dates to address the 19 recommendations in the CSA report on December 10, 2010.

INVESTIGATIONS

During the reporting period July 1 through December 31, 2010, we received a total of 151 complaints through the OIG Hotline, in writing, and in person. We processed 103 matters that included both complaints requiring investigative attention that did not result in an investigation and those referred directly to other complaint resolution processes. We opened 18 investigations and closed 15 investigations (a summary is provided in Table 4).

Two investigations we closed this period are summarized below:

- OIG issued a Report of Investigation with recommendations to management concerning misappropriation of over 70 items of equipment found in the house of a former supervisor in TSSM, Automatic Train Control Branch (ATC). The supervisor took equipment over a number of years from the Carmen Turner Facility or purchased equipment with his WMATA purchase card and took it directly to his house. The individual was terminated and subsequently retired based upon his earlier service while a member of Local 689.

Among the equipment retrieved during a search by OIG and the Metro Transit Police was a 32-inch computer monitor, other computer equipment, a portable generator, three oscilloscopes, camera equipment, and tools. TSSM management was unaware that the equipment existed and was missing. Furthermore, it appears that other TSSM employees also took home equipment.

We found that there was a lack of controls over equipment in TSSM-ATC. Most of the items recovered were not bar-coded or otherwise identifiable as WMATA property. We also found a lack of controls over the use of the WMATA purchase card. The supervisor was a purchase card holder, and his purchases were certified for payment, even though he did not provide receipts to the approving official, as he was supposed to do. We issued an Interim Report of Investigation about the irregular purchase card approval earlier, and the individual who did not follow the approval process was disciplined and subsequently reassigned.

The case was declined for criminal prosecution by the Maryland State's Attorney's Office for Prince George's County, because of the lack of controls over equipment which, as they explained in their declination letter, "may have served to create an atmosphere where such behavior, although not explicitly condoned or excused, was part of an implicitly tolerated practice."

Management responded to our report and accompanying recommendation to implement effective controls over equipment by stating that they would reinforce existing accountability procedures for all equipment and implement additional requirements for inventorying and bar-coding equipment.

- **OIG submitted an investigation report concerning an allegation of whistleblower retaliation to the Whistleblower Retaliation Hearing Panel on July 23, 2010. This report was the first one submitted to the Panel, which was recently created as part of a WMATA Board policy initiative to strengthen the protection for WMATA employees from whistleblower retaliation. The Panel is made up of the Chief of Staff, the General Counsel and the Chief Human Resources Officer.**

The OIG report found that the evidence indicated that retaliation for cooperation with an OIG audit was at least a contributing factor in the adverse action taken against the complainant. The Panel, after reviewing the OIG report and performing its own review, ordered relief for the complainant.

OTHER OIG ACCOMPLISHMENTS

Other OIG accomplishments during this reporting period include:

- **Assistant Inspector General for Investigations Ellen Bass participated in presenting training on the new whistleblower policy for members of the Executive Leadership Team, Office Directors and MTPD Deputy Chiefs on December 15, 2010, along with representatives of the Office of Human Resources and the Office of General Counsel. The training took place at WMATA.**
- **Audit Manager Barbara Jackson Williams gave a presentation on "Internal Controls" and Senior Special Agent Joseph Barlow gave a presentation on "Fraud Awareness" to Contracting Officer's Technical Representatives at WMATA on September 24 and November 5, 2010.**
- **Inspector General Helen Lew was a guest speaker via the internet as part of the National Online Master Public Administration – IG Program of John Jay College of Criminal Justice, New York City, New York, on September 16, 2010. She spoke on the role and responsibilities of the WMATA OIG.**

- The WMATA OIG co-hosted and participated in planning the Sixth Biennial National Fraud Awareness Conference on Transportation Infrastructure Programs at the Crystal Gateway Marriott Hotel, in Arlington, VA on July 26-29, 2010. During the three-day conference, Inspector General Helen Lew provided opening remarks and moderated a panel discussion on “Contract and Grant Fraud Challenges Facing the States.” IT Specialist Roland Wong gave a presentation on “Data Mining for Fraud”, and Senior Auditor Leon Langford was co-presenter of a session entitled “Audit Risk Assessments at Transit Agencies”.
- From July 2010 to December 2010, OIG Audit management and Investigations staff continued to participate in weekly New Employee Orientation training to acquaint recently hired employees of the role and mission of the OIG and to provide them with contact information.

Table 1: Recommendations Described in Previous SARs on Which Corrective Action Has Not Been Completed as of December 31, 2010

Report Number	Report Title (Prior Semiannual Report [SAR] Number and Page)	Date Issued	Total Monetary Findings	Number of Recommendations		Latest Target Date (Per WMATA Corrective Action Plan)
				Open	Complete	
Internal Operations Audits						
OI 08-005	Review of Trapeze the Bus Rail Scheduling and Dispatch System (SAR 2, page 3)	03/25/08		1	4	March 2011*
IO 10-002	Review of Controls Over Storeroom Operations (SAR 6, page 5)	03/24/10		3	5	April 2011*
Contract Performance Audits						
CA 08-053	Review of Issues and Concerns on Cubic Contract (SAR 2, page 4)	02/19/08		1	1	April 2011*
CA 09-037	Audit of Martek Global Services (SAR 5, page 5)	10/02/09		1	4	July 2011*
Information Technology Audits						
IT 10-001	Review of People Soft Remediation (SAR 5, page 4)	10/21/09		1	6	July 2011*
IT 10-002	Review of Access Controls of Major Financial and Information Systems (SAR 6, page 3)	10/14/09		1	8	Feb 2011*
External Audits						
	Single Audit Report Year ended June 30, 2009 (With Independent Auditor's" Report Thereon) (SAR 5, page 3)	10/22/09		1	10	June 2011*
	Clearing House Function for Regional Fare Collection Agreed-Upon Procedures Report Year Ended June 30, 2009 (SAR 6, page 11)	06/10/10		6	1	April 2011
* Expected completion date changed from previous report.						

Table 2: OIG Audit Reports and Alternative Products on WMATA Programs and Activities July 1, 2010, through December 31, 2010

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
AUDIT REPORTS					
<u>Internal Operations</u>					
IO 11-001	Review of Monthly Reports On Bus Ridership and Revenue	09/22/10			7
<u>Information Technology</u>					
IT 11-001	Review of Emergency Plans for Critical Information Technology Operations and Financial Systems	09/24/10			2
<u>Contract Performance Audit</u>					
CA 10-028	Audit of Fiscal Year 2009 Accruals and Year-End Spending	07/12/10			3
<u>External Audits</u>					
	Basic Financial Statements Years ended as of June 30, 2010 and 2009 with Independent Auditor's Report	10/19/10			
	Single Audit Report for the year ended June 30, 2010 which includes the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in Accordance with OMB A-133	10/19/10			8

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Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
<u>Contract Attestations</u>					
<u>Pre-Negotiation Attestation Reports</u>					
CAA 11-001	Review of Single Source Proposal for upgrade to the Passenger Information Display System (PIDS). Contract ES-10083/RK	07/09/10			
CAA 11-005	Review of Unit Prices to Provide Spares Parts for the 6000 Series Railcars, Contract No. TC6000	08/23/10			
CAA 11-006	Independent Review of Proposal for Installation of Inter-Car Ground Bonding on 2K & 3K Railcars	11/12/10			
CAA 11-007	Independent Review of Revised Proposal for Contract FP7010, PCO No. 001, Escalator Modernization at Wheaton Station	12/14/10			
CAA 11-008	Independent Review of Revised Proposal for Contract FQ 11006/STH, Remote Terminal Units for the Red Line	12/17/10			
<u>Billing Rate Attestation Reports</u>					
CAM 11-004	Review of Proposed Rates, Contract FQ10063/KPN, FY 2011 On-Call Automatic Train Control/Track Work Engineering Consultant Services	09/07/10			
CAM 11-005	Review of Proposed Rates, Contract FQ10064/KPN, FY 2011 On-Call Automatic Fare Collection Engineering Consultant Services	09/10/10			
CAM 11-006	Review of Proposed Rates, Contract FQ10061/KPN, FY 2011 On-Call Automatic Traction Power Engineering Consultant Services	09/10/10			
CAM 11-007	Review of Proposed Rates, Contract FQ10065/KPN, FY 2011 On-Call Planning Support Consultant	09/15/10			
CAM 11-008	Review of Proposed Rates, Contract FQ10060/KPN, FY 2011 On-Call A&E Consultant Services	09/10/10			
CAM 11-009	Review of Proposed Rates, Contract FQ10064/KPN, FY 2011 On-Call Automatic Fare Collection Engineering Consultant Services	09/22/10			

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Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
CAM 11-010	Review of Proposed Rates, Contract FQ10063/KPN, FY 2011 On-Call Automatic Traction Control/Track work Engineering Consultant Services	09/22/10			
CAM 11-011	Review of Proposed Rates, Contract FQ10060/KPN, FY 2011 On-Call A&E Consultant Services	09/27/10			
CAM 11-012	Review of Proposed Rates, Contract FQ10065/KPN, FY 2011 On-Call Planning Support Consultant	10/01/10			
CAM 11-013	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A&E Consultant Services	10/05/10			
CAM 11-014	Independent Review of Proposed Rates, Contract FQ10062/KPN, FY 2011, On-Call Communication Engineering Consultant Services	10/05/10			
CAM 11-016	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A&E Consultant Services	10/08/10			
CAM 11-017	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A&E Consultant Services	10/14/10			
CAM 11-018	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A&E Consultant Services	10/15/10			
CAM 11-019	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant Services	10/19/10			
CAM 11-022	Independent Review of Proposed Rates, Contract FQ10062/KPN, FY 2011, On-Call Communication Engineering Consultant Services	10/25/10			
CAM 11-024	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant Services	11/02/10			

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Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
CAM 11-025	Independent Review of Proposed Rates, Contract FQ10062/KPN, FY 2011, On-Call Communication Engineering Consultant Services	11/03/10			
CAM 11-026	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant	11/03/10			
CAM 11-027	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A&E Consultant Services	11/04/10			
CAM 11-030	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call A&E Planning Support Consultant Services	11/23/10			
CAM 11-031	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant	12/01/10			
CAM 11-032	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant Services	12/10/10			
CAM 11-033	Independent Review of Proposed Rates, Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant Services	12/10/10			
CAM 11-034	Independent Review of Proposed Rates, Contract FQ10060/KPN, FY 2011, On-Call A/E Consultant Services	12/10/10			
CAM 11-035	Independent Review of Proposed Rates, Contract CQ9205, FY 2011, Railcar Engineering Consultant Services	12/10/10			
CAM 11-037	Independent Review of Proposed Rates, Contract FQ10064/KPN, FY 2011, On-Call Automatic Fare Collection Engineering Consultant Services	12/17/10			
CAM 11-038	Independent Review of Proposed Rates, Contract CQ9205, FY 2011, Railcar Engineering Consultant Services	12/17/10			

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Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
<u>Pre-Award Attestation Reports</u>					
CAM 11-001	Evaluation of Pre-Award Financial Data, Contract No. CQ10211 Handrail Drive Assemblies; YR10212 Rehab Escalator Steps	08/30/10			
CAM 11-002	Evaluation of Pre-Award Financial Data, Contract No. CQ10211 Westinghouse Escalator Handrail Drive Assembly	09/03/10			
CAM 11-003	Evaluation of Pre-Award Financial Data, Contract No. YR10212 Refurbish Escalator Step Assemblies	09/03/10			
CAM 11-015	Independent Review of Pre-Award Financial Data, Contract No. FQ9098, Bus 1 Rehabilitation of Various Facilities	10/06/10			
CAM 11-020	Independent Review of Pre-Award Financial Data, Contract No. FQ9206, Rehabilitation of the Orange/Blue Rail System	10/20/10			
CAM 11-021	Independent Review of Pre-Award Financial Data, Contract No. CQ11116/KPN, Operations & Maintenance CNG Fueling Facilities	10/21/10			
CAM 11-023	Independent Review of Pre-Award Financial Data, Contract No. CQ10144/GPC, "Multiyear, Environmental Construction Services Contract for WMATA Bus and Rail Facilities Located in Washington, DC, Virginia, and Maryland"	10/28/10			
CAM 11-036	Independent Review of Pre-Award Financial Data, Solicitation No. RFP-FQ-11212/JP, "Advanced information Management (AIM) System Enhancements-Dulles"	12/15/10			
CAM 11-039	Independent Review of Pre-Award Financial Data, Contract No. FQ-11161, "Debit and Credit Switch Software"	12/21/10			

Semiannual Report to the Board of Directors: No. 7

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
<u>American Recovery and Reinvestment Act Attestation Reports</u>					
CAA 11-002	Review of Job Creation Reporting Under the American Recovery and Reinvestment Act of 2009, For Conversion of Vendors to Express Vendors, Contract No. CO5136, Modification No. 10	08/04/10			
CAA 11-003	Review of Job Creation Reporting Under the American Recovery and Reinvestment Act of 2009, For Contract FO5159, Job Order Contract Rehabilitation of Bladensburg 2251 Operations and Mechanics Bus Garage Restroom Facilities	08/20/10			
CAA 11-004	Review of Job Creation Reporting Under the American Recovery and Reinvestment Act of 2009, For Contract FO5159, Job Order Contract Rehabilitation of Bladensburg 2250 Administrative Offices and Mechanics Bus Garage Restroom Facilities	08/20/10			
<u>Other Attestation Reports</u>					
CAM 11-028	Advisory Memorandum Concerning PRMT's Request for Audit, Sole Source Proposal, RFP No. FQ11002, Emergency Exterior Door Releases	11/10/10			
CAM 11-029	Advisory Memorandum Concerning Proposed BillingRate , Contract No, CQ9205, FY 2011, Consultant Services - Railcar	11/18/10			

* For purposes of this schedule, questioned costs include other recommended recoveries.

Notes:

Description of Alternative Products

Attestation reports convey the results of attestation engagements performed within the context of their stated scope and objective(s). Attestation engagements can cover a broad range of financial or non-financial subjects and can be part of a financial audit or performance audit. They include examination, review or performance of agreed-upon procedures on a subject matter or an assertion about a subject matter and reporting results.

Pre-award audit services are provided by OIG in response to requests by WMATA's contracting or program office staffs. These normally include making an assessment of an offer or's accounting system and financial capability to perform the contract.

**Table 3: Other OIG Reports on WMATA Programs and Activities
July 1, 2010, through December 31, 2010**

Report Number	Report Title	Date Issued
Internal Operations - Alert Memorandums* and Control Self-Assessment		
IOA-11-001	Alert Memorandum – Lack of Accountability for Keys to Some Mission-Critical Areas	08/05/10
IOA-11-002	Alert Memorandum – Controls for Capital Spares	11/18/10
IO CSA-11-001	Control Self-Assessment – Employee Safety in the Office of Track and Structures Systems Maintenance	09/08/10
* Alert Memoranda are not publicly distributed.		

**Table 4: Investigative Activity Statistical Profile
July 1, 2010, through December 31, 2010**

Statistic	No.
Complaints Received	151
Complaints Closed and Referred ⁷	103
Investigations Opened	18
Investigations Closed	15
Matters Pending at end of Reporting Period (Investigations and Complaints)	20

⁷ Includes both complaints requiring investigative attention that did not result in an investigation and those referred directly to other complaint resolution processes.