



**Washington Metropolitan Area Transit Authority  
Inspector General's Semiannual Report to the  
Board of Directors, No. 10  
January 1, 2012 – June 30, 2012**



Photo of Track maintenance crew replacing ties on track number 1 between Rockville and Shady Grove using the recently delivered Tie Inserter

## INSPECTOR GENERAL'S MESSAGE TO THE BOARD OF DIRECTORS

July 20, 2012

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 January 1, 2012, through June 30, 2012. Our work, highlighted in this report, demonstrates our commitment to promoting accountability, efficiency, and effectiveness in WMATA's programs and operations and keeping the Board of Directors fully and currently informed about deficiencies in WMATA's activities, as well as the necessity for and progress of corrective action.

Over the last six months, OIG issued 23 audit products, including audit reports, attestation reports and audit waivers. We reviewed pricing information in contractors' proposals with a value of \$2,019,877 and suggested \$427,938 in net audit adjustments. We also issued three performance audit reports—Review of Contract CQ7068-Safety Management Assessment and Enhancement Program, Review of Internal Controls Over the Collection of Metrorail Cash, and Review of WMATA's Software/Hardware Acquisition Process.

In addition, CliftonLarsonAllen audited the Reconciliations of Expenses of the Regional Customer Services Center and Regional Software Maintenance Agreement (the Reconciliations) of WMATA as of and for the year ended June 30, 2011. The external auditors stated the Reconciliations were presented fairly, in all material respects.

During this period, we closed 13 investigations and processed 125 complaints. Also, sentencing was handed down by Federal and State Courts on two joint investigations that OIG worked with the Metro Transit Police Department. One of the investigations, which also included the Federal Bureau of Investigation, involved the theft of about \$473,000 from fare card machines. The other investigation involved payroll irregularities at Metro's Customer Service Call Center.

In closing, we appreciate the Board of Directors' and the General Manager/Chief Executive Officer's support of our office and look forward to working with them in promoting a safe and effective transit system. We will continue to make every effort to conduct our work efficiently, effectively, economically, and with utmost integrity.

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Helen Lew  
Inspector General

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## 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 government 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 Committee. The IG prepares a Quarterly Report to the Board's Audits and Investigations Committee 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/Chief Executive Officer to assist in achieving the highest levels of program and operational performance in WMATA.

### **Our Core Values**

Excellence - We have a commitment to excellence in our people, our processes, our products, our impact and 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 mission of operating a safe, reliable and effective transit system.

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 — Audits and Investigations. The Audits 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, and 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 30 full-time employees as of June 30, 2012, the majority of whom do audits. Our staff is comprised of auditors, investigators, and an office manager with educational backgrounds and graduate degrees in accounting, finance, mathematics, computer science, law, criminal justice, information assurance, and business. Half of the staff have professional certifications as accountants, internal auditors, fraud examiners, investigators, information systems auditors, government financial managers, and inspectors general.

## AUDITS

During this reporting period we issued 23<sup>1</sup> audit products in the form of audit reports, 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 (SARS) listing each report for which management has not completed corrective action. Table 1 shows recommendations described in previous SARS on which corrective action has not been completed as of June 30, 2012.

### Summary of Audit Reports Issued

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

- **Review of Contract CQ7068 – Safety Management Assessment and Enhancement Program** – (Internal Operations No. 12-001, issued February 14, 2012).

We conducted an audit of Contract CQ7068 – Safety Management Assessment and Enhancement Program. The objectives of our audit were to determine whether: (1) the contractor performed in accordance with the terms of the contract, (2) payments to the contractor were proper, and (3) WMATA provided adequate oversight.

WMATA awarded a five-year contract (CQ7068 - Safety Management Assessment and Enhancement Program) to DuPont Safety Resources (DSR) on April 10, 2007. The contract was for a comprehensive workplace safety management approach that improves WMATA's safety program and record, changes the culture of WMATA's organization, increases accountability, and reduces costs expended for workers' compensation. The contract was modified in March 2011 to place a cap of \$950,000 on the quarterly payments to DSR. As of June 30, 2011, WMATA paid DSR \$13,687,899 for services under the contract.

We found the contractor generally met the deliverables in the contract. However, we found payments to DSR were not properly supported with clear ties to delivered services, and some payments to DSR were not properly calculated. In addition, WMATA did not adequately oversee the contract. Specifically, the contracting officer did not detect: (1) two separate inflation factors were erroneously used to determine the contractor's standard claims and incident costs, (2) DSR's target goals for reducing workers' compensation claims and third party liability incidents were erroneously deleted from the contract, (3) the program office did not reappointed a project manager after the previous manager left in October 2009, and (4) the Office of Procurement and Materials did not adequately

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<sup>1</sup> This number includes one audit-related report that was prepared by WMATA's external auditor, CliftonLarsenAllen, LLP.

assess the benefits and risks associated with using a gain-sharing contract. Based on the above findings, we made four recommendations to the General Manager and Chief Executive Officer (GM/CEO).

In the GM/CEO's February 10, 2012, response, Management concurred with our findings and recommendations. The GM/CEO also cited actions taken or planned to address the OIG concerns expressed in the findings and recommendations.

- **Review of Internal Controls Over the Collection of Metrorail Cash<sup>2</sup>** (Internal Operations No. 12-002, issued February 29, 2012).

We conducted an audit of internal controls over the collection of Metrorail cash. The objective of the audit was to review the adequacy and completeness of internal controls over the collection of Metrorail cash.

WMATA's Office of Treasurer (TRES) is responsible for the accounting, reconciliation, and deposit of rail cash. Metrorail cash is processed at the Revenue Collection Facility (RCF). Customers can purchase fare media at Metro sales offices, on the platform of all 86 rail stations and at 350 retail sales outlets.

TRES employs revenue collection technicians (RCTs) who have the responsibility of restocking and collecting cash from the farecard vendors and exitfare machines. The Metro Transit Police Department officers provide security for the RCTs at each Metrorail station while the RCTs perform their duties, as well as at the RCF.

TRES has an internal control process for the collection, handling, processing and deposit of Metrorail cash. No matter how well these internal controls are designed, they cannot provide absolute assurance internal controls cannot be circumvented. Although there were internal controls in place, we identified additional controls that are needed to address the deficiencies we found in policies and procedures, background investigations, and surveillance cameras.

We also identified an issue concerning safety and health hazards found in holding vaults, where good housekeeping practices are not maintained.

We made nine recommendations to the GM/CEO based on our findings. In the GM/CEO's February 14, 2012, response, Management generally concurred with our findings and recommendations, except for two findings. The GM/CEO also cited actions taken or planned to address the OIG's findings and recommendations.

Based on our analysis of management's response, we stand by the findings in the report.

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<sup>2</sup> This report contains security related matters and is not posted on the OIG website and is not publicly distributed.

- **Review of WMATA's Software/Hardware Acquisition Process** (Information Technology No. 12-002, issued on May 25, 2012).

We conducted an audit of WMATA's Software/Hardware Acquisition Process. The objectives of the audit were to determine whether WMATA was: (1) effectively managing the software and hardware acquisition process, and (2) making sound business management decisions in the acquisition of software and hardware.

We determined WMATA was not effectively managing its software and hardware acquisition process. Specifically, the Information Technology (IT) Department did not have authority-wide oversight over WMATA's software and hardware acquisition process, and IT and the Office of Procurement & Materials (PRMT) could not fully account for all software and hardware acquisitions. We also determined before February 18, 2011, IT was not making sound business management decisions in the acquisition of software and hardware. IT was not consistently providing business justifications, including cost benefit analysis, expected outcome, and deployment timeline for the acquisition and implementation of some software. However, we found IT now has implemented a process to better document its management decisions. This new process is limited to acquisitions by IT and is not a WMATA-wide requirement.

We also raised concerns regarding: (1) inadequate verification of data removed from computer hard drives prior to public auction, (2) Microsoft Enterprise discount program for Microsoft Office Suite was not communicated to all WMATA employees and (3) some IT equipment and computer accessories purchased and sitting unused in the IT storage room for two or more years after acquisition.

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

In the DGMA/CFO's May 15, 2012, revised response, Management indicated general concurrence/agreement with the findings and four of the six recommendations. The DGMA/CFO partially disagreed with Finding 1, as it relates to OIG's assessment of the potential system vulnerability to WMATA. Management also disagreed with Recommendation 1.1 because they believe the OIG solution articulated an overly prescriptive solution to identify potential purchases. Management deemed this solution to be impractical to implement and enforce and estimated that it would cost roughly 700K in software development to execute in PeopleSoft. Management also disagreed with Recommendation 2.1, stating WMATA operates in a decentralized management mode, making it difficult to impose standardized methodologies for project management across the entire organization. Management indicated that "IT-like" projects which are not managed by IT and pose no risk to the corporate network, because those projects do not touch the network, do not necessarily have to use the methodologies developed by IT.

We disagree with Management's comments regarding our assessment of the potential system vulnerability to WMATA, and that they have sufficient controls in place to address software and hardware compliance. System vulnerabilities are weaknesses or design flaws in the software and hardware installed on a server or client that can be exploited by an intruder to gain access to the network. Based on our analysis of Management's response to our report and the evidence collected during our audit, we stand by the findings and recommendations in the report.

- **Financial Related Audit Reports**

CliftonLarsonAllen LLP, Certified Public Accountants & Consultants (CLA) conducted an audit to fulfill the requirements of the Operations Funding Agreement (OFA) between WMATA and the 10 participating agencies, and we performed oversight and monitoring procedures to ensure completion of the audit deliverables. In June 2012, we received the audit report – **Reconciliation of Expenses of the Regional Customer Services Center and Regional Software Agreements of Washington Metropolitan Area Transit Authority Year Ended June 30, 2011.**

CLA gave WMATA a “clean” opinion on the Reconciliations. CLA also issued a Management Letter, identifying two findings—accounts receivable management and partner billing review. One recommendation was made regarding the accounts receivable finding. No recommendation was made for the partner billing review since the reporting requirement has been removed by the updated OFA.

Management generally concurred with the auditors' findings and recommendations.

## **Summary of Alternative Products Issued**

From January 1, 2012, through June 30, 2012, we issued 19 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** (4 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. During the reporting period January 1, 2012, through June 30, 2012, we reviewed pricing information with a proposed value of \$2,019,877 and suggested \$427,938 in net audit adjustments.

- **Billing Rate Attestation Reports** (6 reports)

At the request of WMATA's Office of Procurement and Materials (PRMT), we reviewed 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** (3 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.

- **Buy America Attestation Report** (1 report)

The Federal Transit Administration (FTA) requires a pre-award and post-delivery certification that the manufacture of the rolling stock vehicles (rail, bus and MetroAccess) is in compliance with the Buy America Act. The pre-award audit is conducted prior to the contract award and the notice-to-proceed. The post-delivery audit is conducted prior to delivery of the rolling stock vehicle. At the end of the reviews, certifications are issued stating whether the manufacturer is in compliance with the Buy America Act.

- **Other Attestation Reports** (5 reports)

We also perform other attestation services as requested by PRMT, including Advisory Memoranda on contract issues and attestation reviews of contractor claims and rates. In addition, we issue 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.

## INVESTIGATIONS

From January 1, 2012, through June 30, 2012, we closed 13 investigations and processed 125 complaints. Of these complaints, 94 were matters that included both complaints requiring investigative attention that did not result in an investigation and those referred directly to management or other complaint resolution processes. We opened 31 investigations and issued 8 Reports of Investigation, an Investigative Activity Statistical Profile is provided in Table 4.

In addition, on June 4, 2012, as part of our mission to promote honesty, accountability, and efficiency in WMATA operations, the Investigations component began an Outreach Program designed to educate management personnel at all Metro facilities about OIG's mission, functions, capabilities, and contact information.

### Summary of Significant Cases Completed

During this reporting period, sentencing was handed down by Federal and State Courts on two joint investigations that OIG worked with the Metropolitan Transit Police Department (MTPD). One investigation, which also included the Federal Bureau of Investigation (FBI), involved the theft of about \$473,000 from fare card machines. The other investigation involved payroll irregularities at Metro's Customer Service Call Center. The guilty pleas and sentencing of these two cases are highlighted below.

- **Guilty Pleas and Sentencing for Co-Conspirators in Theft from Fare Card Machines**

On June 15, 2012, a former MTPD officer and a former revenue technician pled guilty to theft and money laundering in Federal court. The former police officer received a 37 month prison sentence to be followed by 36 months of supervised release. The former revenue technician received a 30 month prison sentence to be followed by 36 months of supervised release. Both were ordered to pay restitution of \$472,679. The two co-conspirators were involved in the theft of revenue from fare card machines for a period of at least two years.

**Source:** This investigation was initiated based on a request for assistance from the FBI.  
**Responsible Agencies:** This was a joint investigation with the FBI and MTPD. The case was prosecuted by the U.S. Attorney's Office for the Eastern District of Virginia.

- **Guilty Pleas and Guilty Verdict by Jury for Theft and Conspiracy to Commit Theft at Metro's Customer Service Call Center**

In March 2012, two former Metro employees involved in theft and conspiracy to commit theft pled guilty in Prince George's County, Circuit Court and received probation. They were also ordered to pay restitution. The charges against the third employee were dismissed after agreeing to testify against the former Metro supervisor. On March 14, 2012, the former supervisor was found guilty by a Prince George's County, Circuit Court jury on two counts of felony theft. On June 4, 2012, the former supervisor was sentenced to one year in jail and order to pay restitution of \$9,100. The supervisor had been accessing the computerized payroll system and adding overtime hours, which were not worked, to the

employees' weekly time for at least two years. The overtime hours had an approximate value of \$24,000.

**Source:** This investigation was initiated based on a request for assistance from the MTPD.  
**Responsible Agencies:** This was a joint investigation with the MTPD. The case was prosecuted by the Prince George's County, State's Attorney's Office.

## OTHER OIG ACCOMPLISHMENTS

Other OIG accomplishments during this period included:

- Tilahun Befikadu, Senior Contract Auditor, Contracts Audit Team, became a Certified Information Systems Auditor in February 2012.
- Christopher Lee, Auditor III, Contracts Audit Team, became a Certified Fraud Examiner in May 2012.
- Barbara Jackson-Williams, Audit Manager, Internal Operations Audit Team, gave a presentation on "Internal Controls" to WMATA Contracting Officer's Technical Representatives (COTRs) on February 22, 2012, and on June 28, 2012, at the Jackson Graham Building.
- Gerald D'Angelo, Special Agent, gave a presentation on "Fraud Awareness" to COTRs at the Jackson Graham Building on June 28, 2012.

## CONGRATULATIONS AND FAREWELL

- Victor Kirk was promoted to Auditor III in January 2012. He started at WMATA in January 2010 and is currently a member of the Internal Operations Audit Team.
- Mark Coulter, Special Agent, began his employment with the OIG on January 17, 2012. He has 26 years of law enforcement experience. Prior to joining the OIG, he was as an Investigator with the Prince George's County, State's Attorney's Office for two years. Prior to that, he had 20 years experience with the Prince George's County Police Department, including two years as the supervisor of the Economic Crimes Unit, and four years experience with the City of Atlanta, Georgia Police Department.
- Gerald D'Angelo, Special Agent, began his employment with the OIG on January 17, 2012. He is a retired Sergeant from the Baltimore County, Maryland Police Department. He has over 24 years of law enforcement experience, including four years as the supervisor of the Financial Crimes Unit.

- Roland Wong, who served as our IT Specialist and supported both audits and investigations, resigned on June 15, 2012, to begin employment with the Office of Special Inspector General for Afghanistan Reconstruction. He was instrumental in setting up and providing training on TeamMate (the Audit management software application) and the Investigative Tracking System, advising OIG on the IDEA software application, managing the IT budget, and serving as the interim IT Audit Manager until the position was filled.

**Table 1: Recommendations Described in Previous SARs on Which Corrective Action Has Not Been Completed as of June 30, 2012**

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	
<b>Internal Operations Audits</b>						
IO 11-001	Review of Monthly Reports on Bus Ridership and Revenue (SAR 7, page 7)	09/22/10		1	6	Aug. 2012
IO CSA 11-001	Control Self-Assessment Employee Safety in the Office of Track and Structures Systems Maintenance (SAR 7, page 10)	09/08/10		4	15	Jun. 2014*
<b>Contract Audit</b>						
CA-11-045	Audit of Reported Paratransit Revenue and Ridership (SAR 9, page3)	10/03/11		1 <sup>3</sup>	5	
<b>Information Technology Audits</b>						
IT 11-001	Review of Emergency Plans for Critical Information Technology Operations and Financial Systems (SAR 7, page 6)	09/24/10		2	3	Dec. 2013
IT-11-002	Review of WMATA's MAXIMO Work Orders Module (SAR 8, Page 9)	03/28/11		3	1	Sept. 2012
* Expected completion date changed from previous report.						

<sup>3</sup> Management does not concur with Recommendation 3 and considers this issue to be a business decision outside the purview of the audit. No corrective action plan was submitted for this item.

**Table 2: OIG Audit Reports and Alternative Products on WMATA Programs and Activities (January 1, 2012 through June 30, 2012)**

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
<b>AUDIT REPORTS</b>					
<u>Internal Operations</u>					
IO 12-001	Review of Contract CQ 7068-Safety Management Assessment and Enhancement Program	02/14/12			4
IO 12-002	Review of Internal Controls Over the Collection of Metrorail Cash	02/29/12			9
<u>Information Technology</u>					
IT 12-002	Review of WMATA's Software/Hardware Acquisition Process	05/25/12			6
<u>External Audits</u>					
	Audit of the Reconciliation of Expenses of the Regional Customer Services Center and Regional Software Agreements of Washington Metropolitan Area Transit Authority Year Ended June 30, 2011	06/08/12			1
<u>Contract Attestations</u>					
<u>Pre-Negotiation Attestation Reports</u>					
CAA 12-012	Independent Review of Delay Claim for Contract FO5118, CPN-003 Excavation Delays & Extended Performance	04/06/12			
CAA 12-013	Independent Review of Delay Claim for Contract FO5118, CPN-010 Option C Delays & Extended Performance	04/06/12			
CAA 12-014	Independent Review of Revised Proposal for Contract CQ12167, Fatigue and Risk Management	04/24/12			
CAA 12-015	Independent Review of the Revised Proposal for Contract FQ12039, Production and Delivery of 200 CPOS and 2 MPOS	06/27/12			
<u>Billing Rate Attestation Reports</u>					
CAM 12-019	Independent Review of Proposed Rates for Contract FQ10065/KPN, FY 2011, On-Call Planning Support Consultant Services	01/25/12			

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
CAM 12-026	Independent Review of Proposed Rates for Contract FQ10064/KPN, FY 2012 AFC On-Call Engineering Consultant Services	04/19/12			
CAM 12-027	Independent Review of Proposed Rates for Contract FQ10060/KPN, FY 2011 On Call A/E Consulting Services	05/09/12			
CAM 12-032	Independent Review of Proposed Rates for Contract FQ10060/KPN, FY 2011 On-Call A/E Consultant Services	06/29/12			
CAM 12-033	Independent Review of Proposed Rates for Contract FQ10060/KPN, FY 2011 On-Call A/E Consultant Services	06/29/12			
<u>Pre-Award Attestation Reports</u>					
CAM 12-025	Independent Review of Pre-Award Financial Data for Contract No. IFB FQ12168 GPC, "New Rail Car Lift Parts for Alexandria And Brentwood Yards"	04/19/12			
CAM 12-028	Independent Review of Pre-Award Financial Data for Contract No. FQ12001, "Greenbelt Test Track and Commissioning Facility"	05/15/12			
CAM 12-029	Independent Review of Pre-Award Financial Data for Contract No. IFB FQ12186/MR, "Round Cell Batteries"	06/13/12			
<u>Buy America Attestation Report</u>					
CAM 12-020	Revised Pre-Award Buy America Certification Audit, Contract RC 7000.RAM, Three Hundred Sixty-Four (364) 7000 Series Rapid Transit Railcars	02/21/12			
<u>Other Attestation Reports</u>					
CAM 12-021	Independent Review of Cost and Pricing Audit Waiver for Contract No. FQ12112, "Strategic Asset Management"	02/27/12			
CAM 12-022	Advisory Memorandum Concerning PRMT's Request for Audit of Billing Rate Proposal for Contract No. FQ10064, On-Call AFC Engineering Support	03/09/12			
CAM 12-023	Independent Review for Sole Source Cost and Pricing Waiver for Contract No. FQ12131, THOR II System	03/19/12			
CAM 12-024	Recommended Financial Settlement for Contract 3Z6251, For the Period July 1, 1999 Through June 30, 2000	04/10/12			

Report Number	Report Title	Date Issued	Questioned Costs*	Unsupported Costs	No. of Recommendations
CAM 12-030	Independent Review of Cost and Pricing Audit Waiver for Contract No. FQ-12185, Carbone Mobile Computer for Wireless Mileage Capture	06/26/12			
CAM 12-031	Establish Overhead, General and Administrative, and Burden Rates for Contract FQ9206	06/29/12			

\* 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 offeror's accounting system and financial capability to perform the contract.

**Table 3: Other OIG Reports on WMATA Programs and Activities  
(January 1, 2012 through June 30, 2012)**

**(None were issued this reporting period)**

Report Number	Report Title	Date Issued
<u>Internal Operations - Alert Memorandums and Control Self-Assessment</u>		

**Table 4: Investigative Activity Statistical Profile  
(January 1, 2012 through June 30, 2012)**

Statistic		No.
Complaints Received		<b>125</b>
Complaints Closed and Referred <sup>4</sup>		<b>94</b>
Investigations Opened		<b>31</b>
Investigations Closed		<b>13</b>
Reports of Investigations Issued		<b>8</b>
Matters Pending at end of Reporting Period (Investigations and Complaints)		<b>28</b>

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<sup>4</sup> Includes both complaints requiring investigative attention that did not result in an investigation and those referred directly to other complaint resolution processes.