



OFFICE OF INSPECTOR GENERAL
SEMIANNUAL REPORT
NO. 28





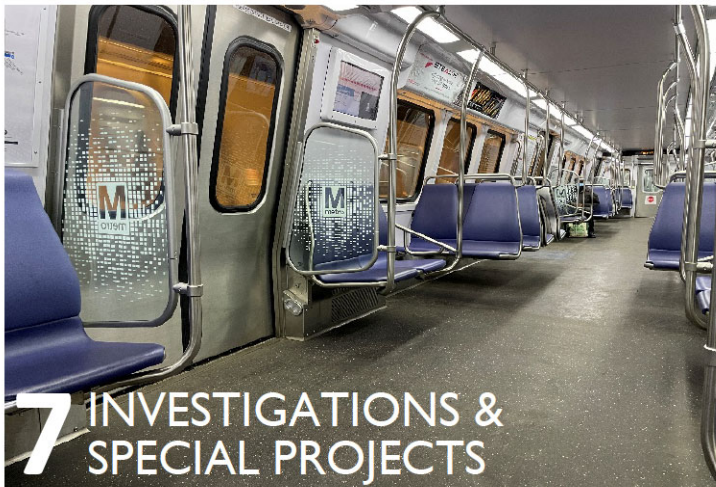
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THE INSPECTOR GENERAL'S MESSAGE TO THE BOARD

JANUARY 1, 2021 – JUNE 30, 2021

In spite of the extraordinary challenges created by the pandemic and the impact it has had on the Washington Metropolitan Area Transit Authority (WMATA) and our region as a whole, I am thankful that my staff quickly adapted as events unfolded and the oversight responsibilities of the WMATA Office of Inspector General (OIG) were never compromised.



Geoffrey A. Cherrington,
Inspector General

Once again, I am pleased to present this Semiannual Report on the activities and accomplishments of the WMATA OIG from January 1, 2021 to June 30, 2021, marking this the OIG's third Semiannual Report released during the COVID pandemic.

Organizationally, WMATA's challenges during the pandemic have been many. Protecting the public and their staff has been, collectively, the greatest priority. Economically, reduced ridership was a crippling blow, but WMATA is working hard to incentivize riders back into the Metro system. As WMATA adapted, so did my staff by remaining committed to detecting inefficiencies, both small and large, in order to minimize fraud, waste, and abuse at WMATA. We are grateful for the opportunity to ensure WMATA is not only operating efficiently, but also as an accessible, inclusive, and safe space for customers and employees alike.

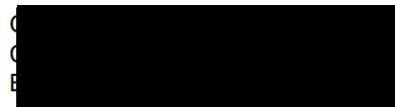
I would also like to welcome our two new members of the WMATA Board of Directors who joined us this reporting period. I, along with my staff, look forward to working together.

During the six months covered by this report, OIG investigative work resulted in three reports of Investigation (ROI), one Management Alert, one Management Assistance Report, and three Special Project Reports. OIG audit work identified weaknesses in WMATA's improper payment program. A report recommended that WMATA establish a comprehensive program to identify improper payments to vendors, as it is a steward of significant public resources. In addition, OIG issued the Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements for FYs 2019 and 2020 and WMATA's Single Audit for FY2020. We continue to focus our efforts on procurement fraud by conducting contract audits and during this period we issued 24 contract audit reports and two Buy America Act audit reports, identifying \$800,000 in possible savings which WMATA desperately needs during this time of financial uncertainty. As part of our dedication to the Federal Transit Administration's Buy America requirements, we sent an audit team to the bus manufacturing plant to inspect and ensure this mandate was followed. The two audit reports showed the manufacturer was in compliance with FTA regulations.

OIG strives to maintain the highest possible standards of professionalism and quality in investigations, evaluations, inspections, and audits. I would like to commend our dedicated and professional staff for their diligence and commitment to the mission of this office.

Finally, I would like to thank WMATA management and their staff for the collaborative efforts in implementing recommended corrective actions in a timely manner.

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Geoffrey A. Cherrington
Inspector General



OVERVIEW OF OIG

BACKGROUND

The Board of Directors established OIG by Resolution 2006-18, approved April 20, 2006. On August 19, 2009, the WMATA Compact was amended to recognize OIG by statute and to make the Inspector General an officer of WMATA. The Inspector General reports to the Board.

MISSION STATEMENT

Under the WMATA Compact OIG is “an independent and objective unit of the Authority that conducts and supervises audits, program evaluations, and investigations relating to Authority activities; promotes economy, efficiency, and effectiveness in Authority activities; detects and prevents fraud and abuse in Authority activities; and keeps the Board fully and currently informed about deficiencies in Authority activities as well as the necessity for and progress of corrective action.” We provide advice to the Board and General Manager/Chief Executive Officer (GM/CEO) to assist in achieving the highest levels of program and operational performance at WMATA.

OUR CORE VALUES

Excellence - We are committed to excellence in our people, our processes, our products, our impact, and in the performance of our mission.

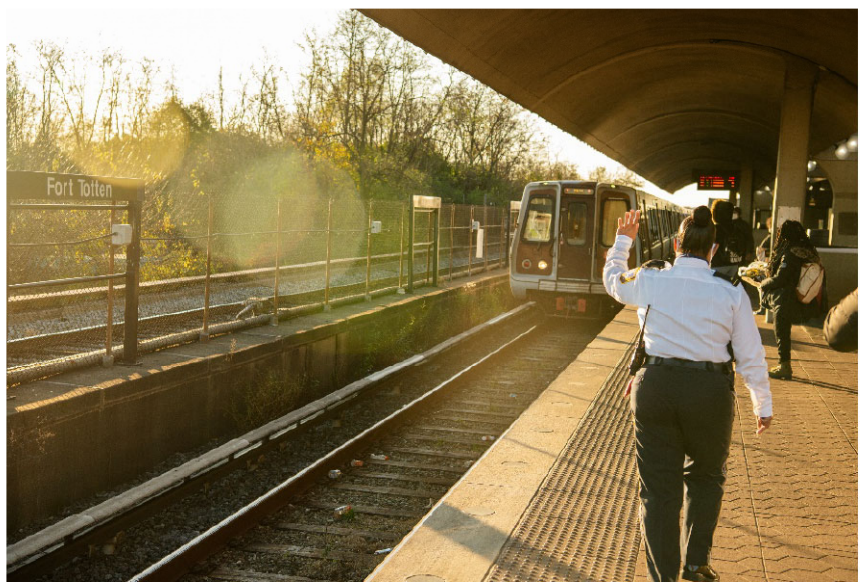
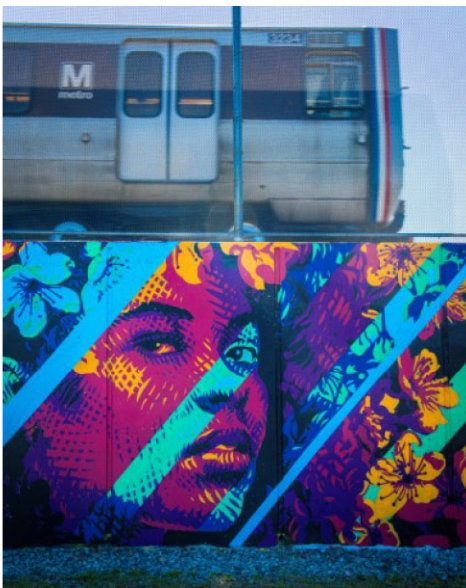
- We value a diverse, educated, and highly trained workforce that reflects independence, initiative, and mutual respect.
- We value operating within an objective code of standards yet remain open to innovation.
- We support WMATA's mission to provide safe, equitable, reliable, and cost-effective public transit.

Accountability - We insist on high standards of professional conduct from OIG 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 offices - Investigations and Special Projects (OI) and Audits and Evaluations (OA).

OFFICE OF INVESTIGATIONS & SPECIAL PROJECTS

OI focuses on three areas: Investigations, Special Projects, and Cybersecurity/Data Analytics. OI is comprised of staff who have extensive law enforcement experience at the local, state, and federal levels. Collectively, its staff has more than 300 years of law enforcement experience in conducting fraud, financial, administrative, police misconduct, and myriad economic and general crime investigations. Many of the staff have served in executive level positions where they managed a variety of investigations, both domestic and international. They have received extensive training in law enforcement investigative techniques from federal law enforcement agencies such as the Federal Law Enforcement Training Center, Military Criminal Investigative Academies, the Federal Bureau of Investigation, the Internal Revenue Service, as well as local police academies and private institutions. All of them have college degrees; several have Master and Juris Doctor degrees. Many staff members are Certified Fraud Examiners.

Investigations

OI conducts criminal, civil, and administrative investigations relating to WMATA activities, programs, and operations. Investigations can lead to criminal prosecution, civil penalties, disciplinary action, and/or administrative action. OI also manages the OIG Hotline, including the intake of complaints and determining the appropriate handling of those complaints. Complaints may be investigated by OI or referred to management, to OA for audit consideration, or to another agency, as appropriate. OI also aggressively pursues proactive investigations through data analysis, recruiting confidential informants, and mining financial information to detect evidence of wrongdoing. OI reports to the WMATA Board of Directors on a regular basis regarding these activities.

OI also investigates Whistleblower retaliation complaints. OI makes quarterly reports to the Board regarding Whistleblower complaints and outcomes or litigation that relate to any protected activity or prohibited personnel practices.

Special Projects

Special Projects provides a range of specialized services and products, including quick reaction reviews, onsite inspections, and in-depth evaluations of a major departmental function, activity, or program.

These products include:

- Factual and analytical information;
- Monitoring compliance;
- Measuring performance;
- Assessing the effectiveness and efficiency of programs and operations;
- Sharing best practices; and
- Inquiring into allegations of fraud, waste, abuse, and mismanagement.

Evaluations often result in recommendations to streamline operations, enhance data quality, and minimize inefficient and ineffective procedures.

Cybercrimes and Data Analytics

The OI Cybercrimes and Data Analytics Unit manages OIG's information technology, cyber, forensics, and data analytics programs. Its primary function is to provide investigative support and coordination to OIG investigations and audits. The unit's members also serve as subject experts on matters under their purview such as digital forensic analysis, cyber incident response protocols, and the use of data analytics as a way to uncover fraud and misconduct in WMATA programs and activities. In addition, since OIG is responsible for investigating cybercrimes that affect WMATA programs and operations, OIG coordinates with the Chief Information Officer (CIO), the Chief Information Security Officer (CISO), and all appropriate Information Technology (IT) staff.

OFFICE OF AUDITS

OA is comprised of two teams: the financial and contract audit team, and the information technology and administration audit team. OIG audits provide independent assessments of WMATA programs and operations that help to reduce waste, abuse, and mismanagement and to promote economy and efficiency. OIG also oversees audit work done by outside audit firms on behalf of OIG. Our staff is comprised of auditors with educational backgrounds and degrees in accounting, finance, and information systems. Most of the staff have professional certifications as accountants, internal auditors, fraud examiners, and information systems auditors.

Each July, OIG issues an *Annual Audit Plan* that summarizes the audits planned for the coming fiscal year. OIG seeks management input from the GM/CEO and his staff as a part of the planning phase. Unanticipated high-priority issues may arise that generate audits not listed in the *Annual Audit Plan*.



INVESTIGATIONS & SPECIAL PROJECTS

BACKGROUND

During this reporting period, OI conducted both criminal and administrative investigations involving allegations of wrongdoing. Several of these investigations involved potential criminal activity. OIG Special Agents and Investigators worked closely with federal, state, and local law enforcement agencies and prosecutors to pursue criminal charges when appropriate. During this reporting period, OI issued numerous subpoenas related to ongoing investigations. To ensure the confidentiality and integrity of sensitive information, only a summary of the variety of complaints and investigations conducted is provided in this report.

OIG HOTLINE ACTIVITY

The OIG Hotline receives information from WMATA employees, customers, vendors, and the general public. It is an important avenue for reporting criminal and other misconduct. OI staff review the hotline information received to evaluate the need for OIG investigative action or referral to an outside agency or internal WMATA office for appropriate review and action. Tables 1-4, below, provide an overview of the number of complaints received, dispositions, sources of complaints, and Whistleblower activity. Due to reduced ridership from the COVID-19 pandemic, complaints received during this reporting period are significantly lower than previous reporting periods.

Table 1: Hotline Complaint Summary

Complaint Type	No.
Complaints Received	135
<ul style="list-style-type: none"> • Investigations Initiated from Complaints • Open • Referred to Management or Other Entity • Closed No OIG Action • Investigations Closed¹ 	11 9 65 50 4

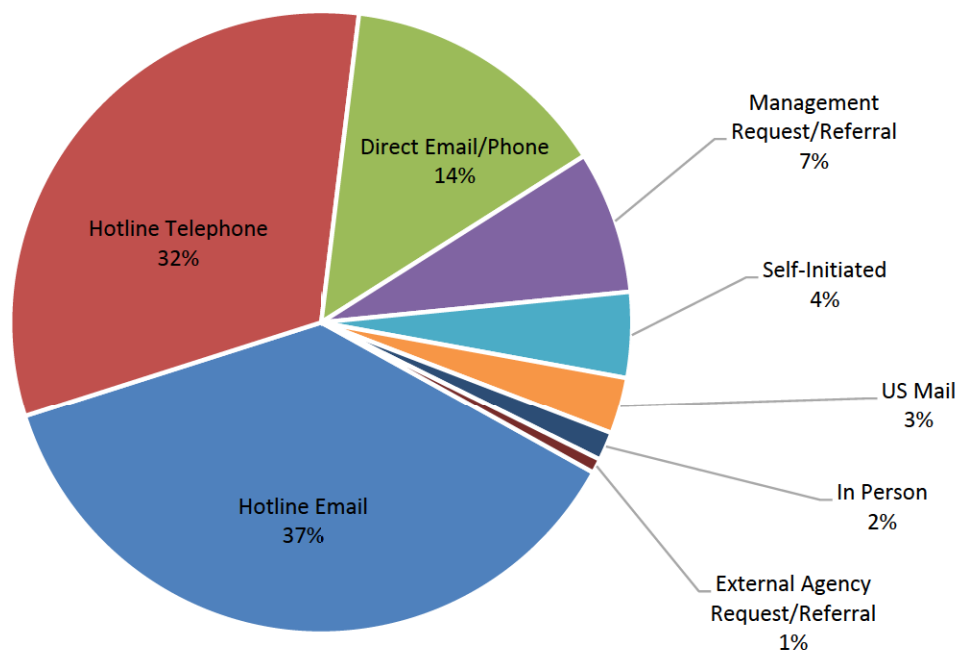
Table 2: Source of Complaints Received¹ Includes investigations from prior reporting periods

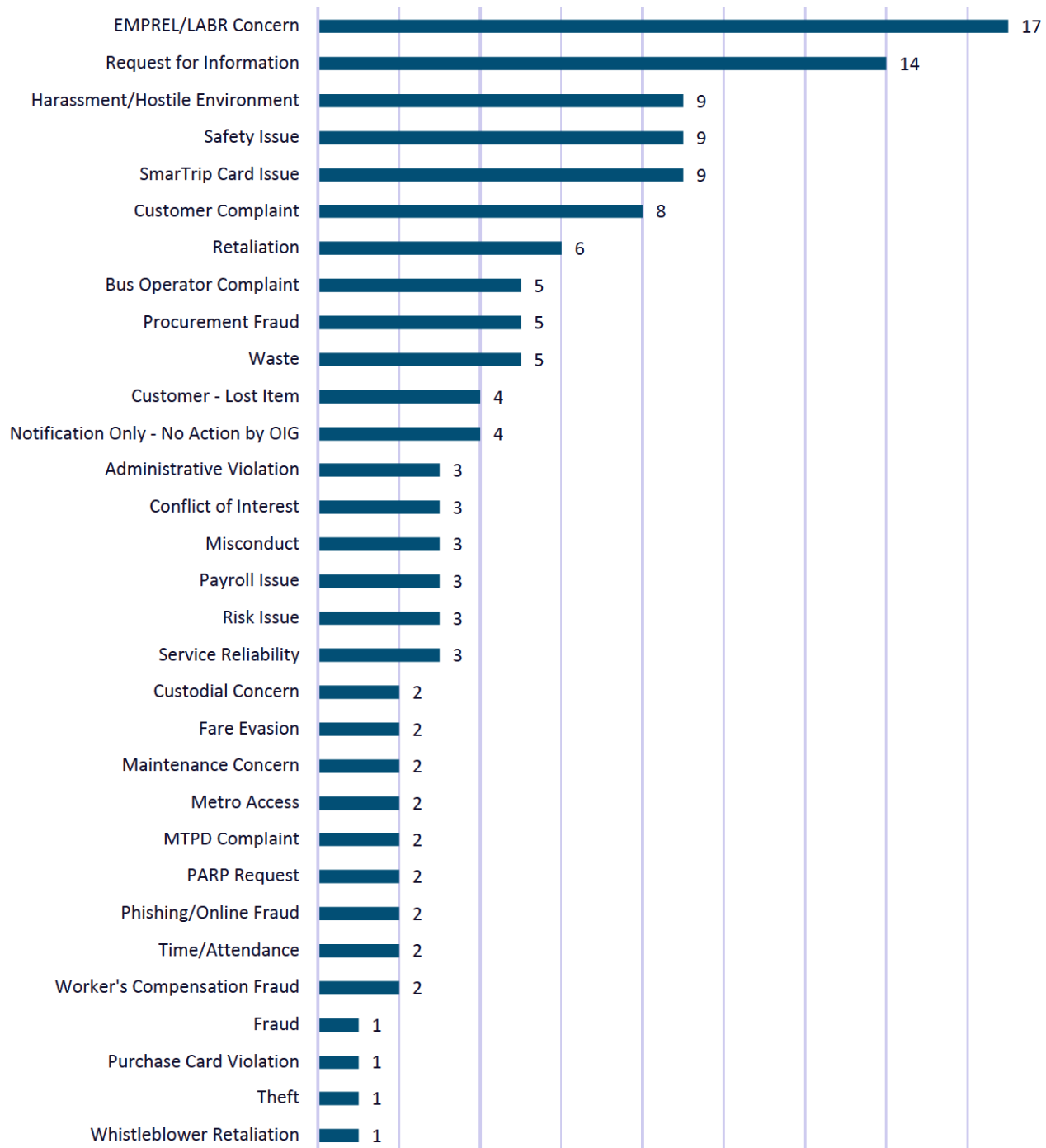
Table 3: Categories of Complaints Received

Table 4: Whistleblower Protection Cases

The OIG investigates whistleblower complaints to protect employees from retaliation.

Whistleblower Complaints	
Complaints Received	1
Investigations Initiated from Complaints	0

PROSECUTORIAL OUTCOMES FROM CRIMINAL CASES

Guilty Plea – Social Security Benefits Fraud

With OIG's assistance, the Social Security Administration, Office of Inspector General, investigated Sonya Burford, a former WMATA employee, who pleaded guilty on May 5, 2021 to the federal charge of theft of government property for stealing \$322,938 in Social Security benefits to which she was not entitled. OIG also issued an ROI detailing its involvement in this case, described later in this section.

[Read the press release here.](#)

Indictment – Fuel Injector Theft Case

Former WMATA employee, David Wright, was indicted on June 22, 2021 for two counts of theft by the Prince George's County State's Attorney's Office. Wright is accused of stealing fuel injectors and other WMATA bus engine parts, valued at more than \$155,000, and selling them online to various vendors and individuals.

REPORTS OF INVESTIGATION

Payroll Lending Scheme

OIG identified a payroll lending scheme operated by a WMATA employee. The employee loaned other WMATA employees various amounts of money, ranging from several hundred to several thousand dollars. In exchange for these loans, the employee charged interest rates as high as 498%. Employees were instructed to direct deposit a predetermined amount from their WMATA paycheck to a certain account to ensure repayment. Between March 2018 and April 2019, the employee received \$139,107.47 in loan repayments from WMATA employees. As a result of OIG's investigation, the employee settled with the State of Maryland for multiple civil violations, including operating a business without a license, usury, and failing to provide receipts and financial statements to customers. The employee was ordered to pay a civil penalty of \$5,000, pay restitution to each respondent, totaling \$13,892.10, and cease collecting outstanding debt in the amount of \$55,560.00. The employee was also terminated by WMATA management.

Whistleblower Retaliation

OIG received a complaint alleging whistleblower retaliation. The complaint alleged Management denied pay, falsified performance reports, and issued an inaccurate disciplinary memorandum after concerns were raised about the lack of COVID-19 related personal protective equipment. OIG's investigation did not substantiate the allegation of whistleblower retaliation.

Social Security Fraud

OIG received information that WMATA employee, Sonya Burford, was unlawfully collecting monthly social security benefit payments to which she was not entitled. The investigation revealed Burford's late husband was a legitimate social security beneficiary. After his death, Burford continued to unlawfully receive her deceased husband's benefit payments for 14 years. The investigation also confirmed Burford failed to report her husband's death to the Social Security Administration. In total, Burford fraudulently received \$322,938 in social security payments.

Metro Transit Police Department, Criminal Investigation Division

OIG received information alleging between 2010 and 2017, the Metro Transit Police Department (MTPD) Criminal Investigation Division (CID) failed to investigate approximately 3,110 complaints of felony and misdemeanor offenses, including armed robberies, sexual offenses, assaults, and other crimes within MTPD's jurisdiction. The OIG investigation revealed MTPD could only produce minimal documentation for 1,445 of the 3,110 complaints referenced above. Approximately 84.1% (1,215 cases) lacked any documentation of investigative activity. MTPD acknowledged the lack of documentation and provided OIG with some corrective actions implemented as early as 2017. MTPD responded, indicating that they have implemented eight of OIG's recommendations, OIG continues to review the matter.

SPECIAL PROJECT REPORTS

MetroAccess Customer Complaint – Travel Time

U.S. Congressman Gerald Connolly's office forwarded a complaint to OIG regarding travel times for passengers using MetroAccess (MACS). The complaint reported issues involving both late pick-ups and lengthy travel time, allegedly caused by confusing GPS information. OIG identified several issues with MACS service involving travel time, routing, performance measurement, and customer communication. OIG made five recommendations to the CEO/GM for improvement to MACS service. Management concurred with all five conditions and 4 out of 5 recommendations.



[Read the report here.](#)

MTPD Internal Affairs Review

OIG reviewed policies, procedures, and practices for MTPD's investigation of complaints against its personnel between February 2018 and February 2020. The review found MTPD conducts its internal affairs investigations in a manner consistent with its policies, regardless of the rank of the subject of the complaint. The case file management system for documenting investigations generally provided enough justification for the findings. However, OIG reviewed several files in which documentation was missing or insufficient. OIG also noted MTPD General Order 231 lacks instruction for investigation of complaints against senior officials. Also, MTPD does not prepare and disseminate an annual summary of complaints against MTPD officers, dispositions, and corrective actions taken. OIG made 12 recommendations to management for improvement, including a recommendation to refer allegations of misconduct against captains and above to OIG for further review, however, MTPD did not concur with this recommendation. [Read the report here.](#)

Chicago Transit Authority – WMATA Comparison

A former WMATA Board Vice Chair requested OIG compare the performance of the Chicago Transit Authority (CTA) to WMATA to determine whether the two transit authorities' policies, practices, and operational philosophies resulted in different performance outcomes. In several national transit reports, CTA is reported to operate with lower costs and better asset utilization than most other large transit authorities. OIG's review sought to determine if there were any operational or business practices employed by CTA that WMATA may want to consider in future strategic planning efforts. OIG's review began with a 2019 base year and found areas where CTA has performance advantages in headcount, system complexity, and flexible work rules. CTA also has a more substantial, lower cost, bus centric ridership base. OIG found WMATA performed better in rail service with respect to farebox recovery and comparably in other areas. [Read the report here.](#)

Conflict of Interest

OIG received a complaint from the WMATA Board regarding a potential conflict of interest involving a vendor and several WMATA employees. OIG determined no conflict of interest existed and the vendor performed according to management's satisfaction.

MANAGEMENT ASSISTANCE REPORTS (MAR)

MAR-21-0001 Metro Transit Police Department, Criminal Investigation Division

As a result of OIG's investigation into the allegation that MTPD failed to investigate approximately 3,110 victim and general complaints, a MAR was issued to assist management in improving its investigative and record keeping processes. The MAR identified 10 recommendations for improvement. The MTPD Chief of Police indicated an internal audit of investigative case files was ongoing. [Read the report here.](#)



AUDITS & EVALUATIONS

BACKGROUND

Audit work focuses on areas of concern such as financial and IT security and management; contracts; human capital; administrative issues; and high-risk programs that impact the safe operation of the transit system. During this reporting period, OIG issued 29 audit reports. An additional seven audits were in progress as of June 30, 2021. 24 of the audit reports were procurement/contract audits that identified \$800,000 in possible savings.

PROCUREMENT AND CONTRACT AUDITS TO ASSIST IN IDENTIFYING FRAUD, WASTE, AND ABUSE

OIG issued 24 contract audits and two Buy America audits that identified \$800,000 in possible savings. Contract audits are performed within their stated scope and objective(s) as agreed with management. They can cover a broad range of financial and non-financial subjects, which assist WMATA's procurement department in their contract negotiation process. These audits may uncover fraud, waste, and abuse or other procurement related issues. Because these reports generally involve contractor proprietary information, the reports are not posted on OIG's website and are not publicly distributed.

Table 7: Contract and Buy America Audit Reports

Report Number	Report Title	Date Issued
CAM 21-013	Independent Review of Proposed Rates for Contract FQ18033, General Architectural and Engineering Consultant Services – Program Management, Construction Management, and Engineering Support Services IDIQ	1/04/2021
CAM 21-014	Independent Review of Proposed Rates for Contract FQ18033, A&E Consultant Services, IDIQ	1/12/2021
CAM 21-015	Independent Review of Pre-Award for Contract C20145, Regional Call Service Center	1/22/2021
CAA 21-008	Independent Review of Proposal Cost for Contract No. CQ19222/JJH, Zero Base Budget	2/03/2021
CAM 21-016	Independent Review of Proposed Rates for Contract FQ15192, General Architectural and Engineering Consultant Services – Systems IDIQ	2/05/2021
CAA 21-009	Independent Review of Post-Delivery Buy America Audit for Contract FQ18001, Option 2, 40ft Lower-Floor Clean Diesel (40XD) and 60ft Lower-Floor Clean Diesel Articulated (60XD) Heavy-Duty Transit pilot buses	3/03/2021
CAA 21-010	Independent Review of Price Proposal for Contract No. F20155, Bus Polycarbonate Window Replacement Program	3/16/2021
CAM 21-017	Independent Review of Pre-Award for Contract FQ19218, “AC Switchgear Room Rehabilitation Nine Stations”	4/02/2021
CAA 21-011	Independent Review of Pre-Award Buy America Audit for Contract FQ18001, Option 3, 100 40ft Lower-Floor Clean Diesel Heavy-Duty Transit Buses	4/09/2021
CAM 21-018	Independent Review of Proposed Rates for Contract FQ18033, A&E Consultant Services – PM/CM and New Design GEC	4/22/2021
CAM 21-019	Independent Review of Proposed Rates for Contract FQ18033, A&E Consultant Services, IDIQ	4/29/2021
CAM 21-020	Independent Review of Proposed Rates for Contract FQ15192, General Architectural and Engineering Consultant Services – Systems IDIQ	4/29/2021
CAM 21-021	Independent Review of Pre-Award for Contract No. FIRPG211113, “Structural Project A”	5/10/2021
CAM 21-022	Independent Review of Proposed Rates for Contract No. FQ18033, A&E Consultant Services – PM/CM IDIQ	5/14/2021
CAM 21-023	Independent Review of Pre-Award for Contract FQ19151, “Rehabilitation of WMATA Parking Garages – 5 Locations Addison, Anacostia, Wheaton, New Carrollton and Huntington”	5/14/2021
CAM 21-024	Independent Review of Proposed Rates for Contract FQ18033, A&E Consultant Services, IDIQ	5/18/2021
CAM 21-025	Independent Review of Pre-Award for Contract FLAND211142/CLAND21020/LP, “Parking Facilities Preventive Maintenance Services”	5/18/2021
CAM 21-026	Independent Review of Proposed Rates for Contract FQ15192, “A&E Consultant Services”	5/20/2021

Report Number	Report Title	Date Issued
CAM 21-027	Independent Review of Pre-Award for Contract FLAND211142/CLAND21020/LP, "Parking Facilities Preventive Maintenance Services"	5/28/2021
CAM 21-028	Independent Review of Proposed Rates for Contract FQ18033, General Architectural and Engineering Consultant Services – Program Management, Construction Management, and Engineering Support Services IDIQ	6/04/2021
CAM 21-029	Independent Review of Pre-Award for Contract C20050/CCMNT20041, "7K Maintenance Parts"	6/10/2021
CAM 21-030	Independent Review of Proposed Rates for Contract FQ19172, New Design GEC	6/10/2021
CAM 21-031	Independent Review of Proposed Rates for Contract FQ18033, A&E Consultant Services – PM/CM	6/10/2021
CAM 21-032	Independent Review of Proposed Rates for Contract FQ18033, General Architectural and Engineering Consultant Services – Program Management, Construction Management, and Engineering Support Services IDIQ	6/17/2021
CAM 21-033	Independent Review of Pre-Award for Contract No. FIRPG211121, Station Platform Rehabilitation Program Contract 4	6/30/2021
CAM 21-034	Independent Review of Pre-Award for Contract No. FIRPG21117, Yellow Line Tunnel Rehabilitation - CMAR	6/30/2021

AUDIT SUMMARIES

Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements for FYs 2019 and 2020.

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

WMATA has a funding agreement with ten local jurisdictions (the Participating Jurisdictions) to provide a seamless regional system for transit fare collections for both the service areas of the Authority and the Maryland Transportation Administration using smart card technology.

WMATA and the Participating Jurisdictions have agreed to fund their share of the operating expenses of the SmarTrip system. The agreement defines the regionally shared operating expenses, allocation methods, and funding requirements.



Each year, WMATA is required to prepare SmarTrip Regional Partner Comparative Billing Statements to provide an allocation of the actual operating expenses incurred for the Regional SmarTrip Program for each of the Participating Jurisdictions for the current and prior fiscal years ended June 30. The actual operating expenses incurred and the allocation to each Participating Jurisdiction are audited at the end of each fiscal year.

The objective of this audit was to express an opinion on WMATA's SmarTrip Regional Partner Comparative Billing Statements for FYs 2020 and 2019.

Audit Results: RSM US LLP conducted the audit on behalf of OIG. In January 2021, RSM issued the report - *SmarTrip Regional Partner Comparative Billing Statements for the Fiscal Years Ended June 30, 2019 and 2020*. WMATA received an unmodified "clean" opinion on the report. [Read the report here.](#)

WMATA's Single Audit for FY 2020

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

The WMATA Compact, Section 70, states that an audit shall be made of the financial accounts of the Authority, shall be prepared in accordance with generally accepted auditing principles, and shall be filed with the Chairman and other officers as the Board shall direct. The Board, through the adoption of Board Resolution 2006-18, established OIG's responsibility for the supervision of WMATA's annual independent audit of financial statements.



The objective of a Single Audit is to ensure a recipient of federal funds is in compliance with the federal program's requirements for how the money can be used. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Single Audit.

Audit Results:

- Internal Controls over Financial Reporting: Unmodified opinion
- Internal Controls over Compliance: No findings
- Compliance and other matters: No findings

[Read the report here.](#)

Review of WMATA's Improper Payments

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

Broadly defined, improper payments are those made for the wrong amount, to the wrong entity, or for the wrong reason. A comprehensive improper payments program would ensure that WMATA has a defined proactive process to safeguard its resources against future improper payments and to recover funds when improper payments occur.

The audit objective was to determine whether WMATA appropriately monitors disbursements.

Review Results: While WMATA has disbursement controls to prevent improper payments, it has not established a comprehensive improper payment program. For example, WMATA has not:

- Identified WMATA transactions that can be susceptible to improper payments;
- Performed an improper payment risk assessment;
- Designed controls to detect and reduce improper payments;
- Utilized data analytics tools such as the "DNP" Portal, as a detective internal control, to help ensure payments were appropriate; and
- Reported improper payment metrics to WMATA leadership.

This condition occurred because WMATA does not have a WMATA-specific requirement for identifying and reducing improper payments. OIG recommended that WMATA establish a comprehensive program as it is a steward of significant public resources.

WMATA management concurred with the finding and recommendation and is in the process of implementing the recommendation. [Read the report here.](#)

Table 5: OIG Audits and Other Reports

Report Number	Report Title	Date Issued
OIG 21-03	Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements for FYs 2020 and 2019	2/25/21
OIG 21-04	WMATA's Single Audit for FY 2020	2/25/21
OIG 21-05	Review of WMATA's Improper Payments	6/28/21

AUDITS & REVIEWS IN PROGRESS

Audit of WMATA's Cloud Computing Strategy

WMATA Strategic Goal: Meet or exceed customer expectations by consistently delivering quality service.

Cloud computing provides on-demand access to a shared pool of computing resources. The adoption of cloud computing has become mainstream by large enterprises because it provides benefits such as: (1) potential cost savings, (2) improved delivery, (3) ease of scalability and procurement efficiencies, as well as (4) operational efficiencies and security. WMATA has a limited presence in the cloud computing environment.

The objective of the audit is to assess the strategy and plan for migrating applications to the cloud.

Audit of WMATA's COVID-19 Emergency Procurements

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

Health concerns, confinement measures, and border closures adopted in the wake of the COVID-19 crisis have caused severe disruption in the supply and distribution chain of goods and services that the public sector needs. At the same time, public buyers around the world need goods urgently and at dramatically increased volumes. In particular, the demand for employee and passenger safety materials (e.g., face masks, protective gloves, cleaning supplies) has massively surged.

The audit objective is to determine if COVID-19 emergency procurements were justified and complied with regulations.

Review of WMATA's Electrification of Buses

WMATA Strategic Goal: Meet or exceed customer expectations by consistently delivering quality service.



WMATA operates a fleet of almost 1,600 buses serving neighborhoods and business districts across hundreds of square miles. With nearly 400,000 daily riders (pre-pandemic), Metrobus is crucial to the mobility, prosperity, and livability of citizens in the national capital region.

The objective of the audit is to assess the zero-emission bus fleet modernization program.

Audit of Control and Accountability of Fuel

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.



WMATA manages over 1,500 non-revenue vehicles and spends about \$1.2 million on fuel each year. The audit will examine fuel purchases to ensure fuel for WMATA vehicles is being properly used and accounted for. Topics will include the cost of fuel and whether bulk discounts are being provided. Because this is a high value asset susceptible to theft, control and accountability are essential.

The audit objective is to determine whether WMATA has adequate controls and accountability of fuel.

Audit of WMATA's Defined Benefit Pension Plans

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.



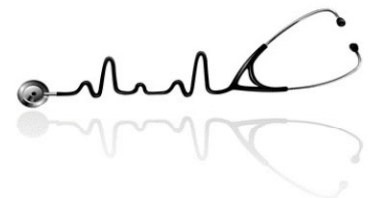
WMATA has five defined benefit pension plans, three of which are still open to new participants of certain unions. WMATA employees were eligible to join the various closed plans based on their union representation or lack thereof. At the end of FY 2019, there were 18,970 participants in these plans. The total pension liability was \$5.1 billion of which \$837 million was unfunded. In FY 2019, \$285 million in benefit payments were made to retirees. These pension plans are governed by their own Boards of Trustees, which are comprised of members designated by WMATA management and Union management or elected by plan participants.

The audit objective is to assess the effectiveness of the pension program oversight.

Audit of Health and Welfare Funds (L689 & L922)

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

The Health & Welfare Funds support plans that offer members of unions L689 and L922 a comprehensive package of benefits including medical, prescription drug, dental, vision, life and accident, and long-term and short-term disability insurance. In FY 2019, WMATA paid approximately \$236.7 million for these benefits to 11,508 employees.



The Health and Welfare Plans are governed by their own Boards of Trustees, which are comprised of members designated by WMATA management and Union management.

The audit will assess the effectiveness of oversight of the funds.

Audit of WMATA's Mission Critical Legacy Systems

WMATA Strategic Goal: Ensure financial stability and invest in our people and assets.

Modern IT infrastructures are core components of many small, medium, and large enterprises. As technology quickly evolves, it is important for enterprises to implement, maintain, and utilize up-to-date systems. However, systems in use often become outdated and fall under the category of legacy systems. Such hardware and software legacy systems are often critical systems needed for the enterprise's core, daily operations. It is necessary to identify existing legacy systems that an enterprise uses, and to determine if, and how, the legacy systems should be upgraded.

The audit will: (1) identify the mission critical legacy systems, (2) determine if plans exist to modernize and update these systems, and (3) determine the adequacy of the modernization plans.

CORRECTIVE ACTIONS ON AUDIT RECOMMENDATIONS

OIG tracks and documents the status of audit recommendations and WMATA corrective action plans.

Positive change results from the process in which management acts to improve operations based on the recommendations in the published audit report. Management actions are monitored until final action is taken on all recommendations. Listed below are recommendations issued more than 2 months ago that are still outstanding. In every case, management's ongoing actions will correct the deficiency identified during the audit.

Table 6: Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed as of June 30, 2021

Report Number	Report Title	Date Issued	Number of Recommendations		Latest Target Date (Per WMATA Corrective Action Plan)
			Open	Complete	
OIG 19-08	Audit of Cybersecurity Requirements in WMATA's Procurements	03/05/2019	1	5	09/30/21
OIG 19-10	Audit of WMATA's End-of-Service Life Operating System Software	05/01/2019	3	3	09/01/22
OIG-19-11	Audit of WMATA's Software Asset Management Program	06/19/2019	1	0	06/30/22
OIG 21-01	Audit of the Replacement of WMATA's Remote Terminal Units	11/16/2020	6	3	12/31/21
OIG 21-05	Review of WMATA's Improper Payments	06/28/2021	1	0	06/30/22

REPORT FRAUD, WASTE, OR ABUSE

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