



January 11, 2024

A REPORT BY THE OFFICE OF INSPECTOR GENERAL

OIG 24-06

Evaluation of WMATA's Contractor Offboarding Program

Office of Inspector General
500 L'Enfant Plaza S.W. Suite 800
Washington, D.C. 20024

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) evaluated the Washington Metropolitan Area Transit Authority's (WMATA) process for offboarding contractors.¹ This evaluation stems from concerns raised by an event where a contractor maintained logical access to WMATA accounts after the contract expired. The objective of this evaluation was to determine the effectiveness of WMATA's contractor offboarding program.

In general, WMATA has implemented controls over contractor offboarding, including automating some processes and conducting contract closeout training. However, opportunities exist for improvements in internal controls pertaining to contractor offboarding by implementing a comprehensive contractor offboarding program across the enterprise. In the absence of a comprehensive program, contractor offboarding was occurring in varying degrees without the benefits of standardized procedures or active WMATA oversight. For example, WMATA personnel were able to manually override the automated processes to allow the contractor noted above to retain access to WMATA systems after the expiration of the contract.

BACKGROUND

Offboarding is the process of disengaging a contractor from an organization in a systematic and organized manner. WMATA has over 9,400 active contractors² and has offboarded over 8,900 contractors since January 2022.

Contractor Offboarding Controls

A key factor in improving accountability in achieving an entity's mission is to implement an effective internal control system. The Government Accountability Office establishes an assessment process based on the *Standards for Internal Control in the Federal Government* (known as the Green Book) that provides the overall framework for establishing and maintaining an effective internal control system. Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. OIG identified eleven controls related to contractor offboarding.

1. *Risk Assessment* - An overall program risk assessment can help entities identify security implications and use different approaches to adequately minimize risks to information and assets. In addition, assessing a contractor's risk level is an essential step in the offboarding process. This includes assessing the contractor's volatility and how privileged this contractor is in WMATA's IT systems based on role and job function.
2. *Program Policy Instruction (P/I)* - A detailed and formalized plan outlining every facet of the exit process and enabling a smoother transition during the offboarding period

¹ For the purpose of this report, "contractors" refers to the employees of WMATA contractors.

² As of August 2023.

for both the contractor leaving and the organization.

3. *Standard Operation Procedures (SOP)* - Written as a step-by-step series of operating instructions that can show employees and contractors what they need to do to accomplish a given task.
4. *Organizational Structure* - The method that allows groups to work together within their individual functions to manage tasks such as contractor offboarding. This method includes developing a responsible, accountable, consulted, and informed (RACI) matrix for contractor offboarding which would define organizational relationships.
5. *Offboarding Training* - A vital aspect of proper offboarding is training managers and other employees who are involved in the process. These employees need to understand how to complete the offboarding process to ensure compliance with laws and policies and the protection of confidential information.
6. *Automated and Manual Controls* - Control operations performed automatically by an information system in contrast to control operations that are manually performed by individuals. Organizations should strive to eliminate any manual processes that could be replaced by implementing automated systems but should continue to keep in mind that manual controls can play an important and often complementary role.
7. *Identity Access Management (IAM) System* - Software that defines and manages user identities and access permissions. With IAM technologies, IT managers can ensure that users are who they say they are (authentication) and that users access the applications and resources they have permission to use (authorization). This software reduces the risk of data breaches and prevents unauthorized access.
8. *Offboarding Exit Checklist* - A comprehensive list of tasks for an organization to complete when a contractor exits WMATA for any reason. The checklist procedures centralize and standardize the process of internal controls. A standard checklist will guide COTRs, managers, and supervisors through the contractor offboarding process.
9. *Offboarding Records Management* - The supervision and administration of digital or paper records, regardless of format. Records management activities include the creation, receipt, maintenance, use, and disposal of records. These practices ensure records will be effectively and efficiently managed throughout their life cycle.
10. *Quality Assurance Function* - A systematic process that ensures products, services, or processes meet or exceed established quality standards. Organizations can improve compliance with standards by monitoring processes and using feedback to improve efficiency and effectiveness.
11. *Contractor Onboarding* - Directly linked to the offboarding process, as many of the previously established rights and access are revoked. An end-to-end solution would integrate all systems and workflows used in the onboarding and offboarding processes. Automatically linking these processes would result in a technology-

enabled, cross-functional process that would allow teams to work together more efficiently in managing the contractor lifecycle.

OBSERVATIONS

OIG compared WMATA contractor offboarding practices against eleven contractor offboarding controls.³ We conducted interviews with WMATA officials; researched offboarding controls based on best practices; performed tests of controls over IT network and badge revocation; and surveyed several departments on contractor offboarding practices. Some program controls were implemented, partially implemented, or were under development, while other controls were not implemented across the enterprise. (Refer to Table 1).

Table 1 - Status of WMATA's Enterprise-wide Contractor Offboarding Program

Contractor Offboarding Controls	Implemented	Partially Implemented	Not Implemented
1. Risk Assessment			X
2. Program Policy Instruction			X
3. Offboarding Standard Operating Procedures			X
4. Organizational Structure		X – COTR	
5. Offboarding Training		X – COTR	
6. Automated Access Controls	X – IT Network and Badge revocation		
Manual Controls	X – (i.e., hot sheets)		
7. Identity Access Management System		X – (under development)	
8. Onboarding Process		X	
9. Offboarding Pre-exit Checklist			X
10. Offboarding Records Management			X
11. Offboarding Quality Assurance Function			X

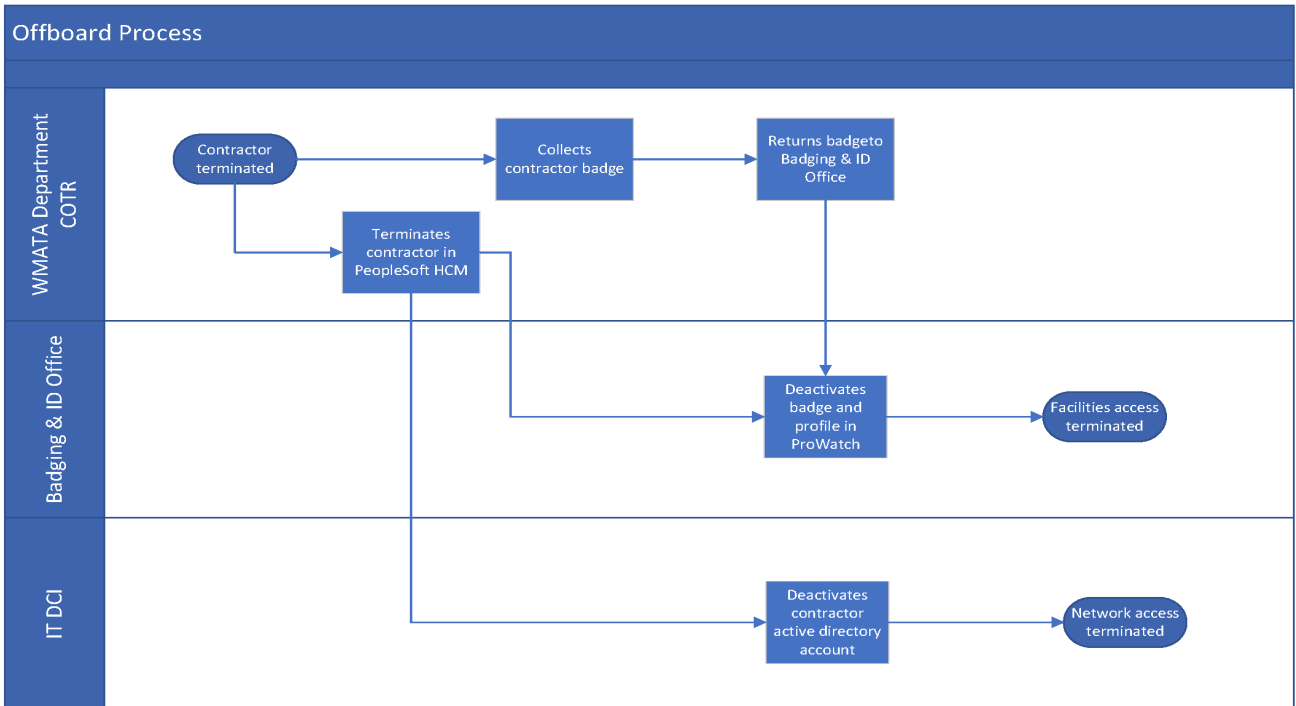
Some controls are implemented or partially implemented:

- **Organizational Structure and Training - Partially Implemented:** The duties and responsibilities for contractor offboarding have been assigned to the Contractor Officer's Technical Representatives (COTR). These duties include ensuring the disposition of property and associated documentation, maintaining a contract file, closing out a contract, and inputting contractor information into a human capital system. While no formal policy or procedures exist on contractor offboarding, duties and responsibilities have been partially spelled out in WMATA's COTR training material.
- **Automated Access Controls (IT Network and Badge Access) - Implemented:** WMATA has controls in place to prevent IT network and facility access once a

³ In many cases, controls for offboarding employees of contractors mirrored controls for offboarding full-time employees.

contractor has been offboarded. WMATA's PeopleSoft HCM system runs a daily automated process to terminate a contractor's access when the contractor reaches the expected contract end date. Once this process is run, IT network access and WMATA facilities access (via a badge) are revoked (Refer to Flowchart 1). OIG has tested these controls and found no revocation exceptions. However, the COTR may manually override the automated process to modify or terminate contractor access in the system at any time.

Flowchart 1 – Contractor Offboarding Process - IT Network and Badge Access



- **Manual Controls - Implemented:** WMATA officials perform manual checks to confirm that contractor badges and IT network access have been purged. Manual checks include a weekly “hot sheet” (i.e., a list of employees and contractors terminated from the PeopleSoft HCM system) compared against the ProWatch Advanced Badging System, and reviews of PeopleSoft HCM system tables to confirm network access revocation..⁴
- **Identify Access Management (IAM) System Project - Under Development:** WMATA does not have an enterprise IAM system whereby software is used to grant or deny employees and contractors to secure systems. However, WMATA has started an IAM system project to centralize access to core systems and resources. The project was halted in 2022 and the restart is scheduled for fiscal year 2024.

⁴ ProWatch Advanced Badging System is currently unable to conduct a batch process or generate reports on access revocation by date. Personnel must search each name individually.

- **Contractor Onboarding – Partially Implemented:** Contractor onboarding is the process of bringing a contractor into an organization and providing the necessary tools to perform the job function. Contractor onboarding is directly linked to offboarding, as many previously established controls are rescinded. WMATA had not fully developed an end-to-end solution enterprise-wide in managing controls over the contractor lifecycle. For example, information found in an onboarding checklist could subsequently be used in the offboarding process.

Some controls are not in place:

- WMATA had not implemented some building blocks of a contractor offboarding program. These controls include risk assessment, policies and procedures, an entrance/exit checklist, records management, and quality assurance controls. For example, a checklist is an essential tracking control mechanism for conducting contractor offboarding. A standard checklist can (1) promote consistency by ensuring every step is properly documented and executed, (2) provide clarity for both managers and contractors about what needs to take place, (3) save time and increase efficiency, and (4) help avoid costly mistakes and protect WMATA from legal issues. An example of a standardized checklist is provided in Appendix B.

Survey of Departmental Contractor Offboarding Controls

Contractor offboarding is decentralized at WMATA and not overseen by one department. OIG found that none of the departments surveyed have a comprehensive contractor offboarding program. However, some survey responses showed controls exist in some departments. Table 2 highlights the identified controls reported by the departments.

Table 2 - Departmental Contractor Offboarding Controls⁵

Contractor Offboarding Controls	Infrastructure	Rail Services	Metro Transit Police	Digital Modernization	Bus Services	Access Services
--Contractor Offboarding Program	No	No	Yes	WIP	No	No
--Offboarding Policy Instruction	No	No	No	WIP	No	No
--Standard Operating Procedures	No	No	No	WIP	No	No
--Organizational Structure	No	No	Yes	No	Yes	Yes
--Offboarding Training	No	No	No	No	Yes	Yes
--Manual Controls (e.g., checklist)	No	No	No	No	No	Yes
--Manual Controls (e.g., property)	No	No	Yes	Yes	No	Yes
--Quality Assurance Function	No	No	No	Yes	No	Yes
--Onboarding Program/Process	No	No	Yes	No	No	Yes

⁵ Yes – control or partial control exists; No – control does not exist; WIP – controls are a work-in-process. Some of the department survey responses (“Yes” responses) cited overarching controls and were not specific to contractor offboarding.

A comprehensive contractor offboarding program is critical in protecting the interests of both WMATA and the contractor. When fully implemented, a contractor offboarding program would: improve the security of sensitive information and data; prevent facilities from being wrongfully accessed; ensure the proper collection of WMATA-owned equipment; ensure the effective transfer of knowledge resulting in furthered productivity and continuity; and reduce the cybersecurity risks of data breaches arising from insider threats. These processes are even more critical as contractor offboarding risk has increased with the rise in remote positions and due to an increase in the use of cloud-based networks, file sharing, and more WMATA-owned hardware being utilized outside of the WMATA's physical offices.

RECOMMENDATIONS

As a result of this evaluation, OIG recommends the GM/CEO:

1. Develop and implement a comprehensive WMATA-wide contractor offboarding program that corresponds with industry best practice controls. A comprehensive offboarding program should complement and align with a contractor onboarding process.
2. Assign a single accountability owner for the WMATA-wide contractor offboarding program and purge duplicate processes.
3. Establish and execute a standardized contractor offboarding checklist, modeled after the existing WMATA employee separation checklist, to enhance consistency and efficiency in contractor offboarding processes.

SUMMARY OF MANAGEMENT'S RESPONSE

WMATA's Executive Vice President (EVP) & Chief Financial Officer (CFO) provided written comments to the report on December 29, 2023 (Appendix A). The EVP/CFO generally agreed with the findings and recommendations to improve the contractor offboarding program. OIG considers management's comments generally responsive to the recommendations, and the actions taken or planned should potentially correct the deficiencies identified in the report. OIG will follow-up during the Corrective Action Plan process to ensure action is taken on the recommendations. Additionally, OIG may assess this area in the future to determine whether the program is functioning effectively.

MANAGEMENT'S RESPONSE

Appendix A

M E M O R A N D U M



SUBJECT: OIG Evaluation Report: Review of WMATA's Contractor Offboarding Program **DATE:** December 29, 2023

FROM: Executive Vice President and Chief Financial Officer – Yetunde Olumide

TO: OIG – Kevin Muhlendorf

Yetunde Olumide
Digitally signed by Yetunde Olumide
 Date: 2023.12.29 15:42:41 -05'00'

WMATA management has carefully reviewed the Office of Inspector General's (OIG) October 31, 2023, " Review of WMATA's Contractor Offboarding Program." This memorandum includes management clarifications and planned corrective actions to address OIG's recommendations. Since initiating the audit, Procurement and Materials has been diligent in assessing and addressing areas of improvement. Procurement and Materials leveraged reports and insights from Audit & Compliance (Internal Audit) and completed a comprehensive review and analysis to ensure a thorough understanding of the concerns raised. As a result of the reviews and through engaging additional stakeholders, such as Human Capital and the Metro Transit Police Department, development of governance documentation has begun. This document represents planned actions in response to Internal Audit recommendations received prior to OIG's report and is being crafted to establish clear protocols and guidelines to mitigate the identified risks and ensure robust processes within procurement operations. They are designed to address the specific points highlighted in the audit and enhance overall efficiency and compliance across the contractor lifecycle.

- 1) **Develop and implement a comprehensive WMATA-wide contractor offboarding program that corresponds with industry best practice controls. A comprehensive offboarding program should complement and align with a contractor onboarding process.**
- 2) **Assign a single accountability owner for the WMATA-wide contractor offboarding program and purge duplicate processes.**

Response:

A practical and consistent on/offboarding process is critical in protecting the interests of WMATA, the vendor, and existing contractor employees. Due to the various stakeholders involved in vendor relationships and contractor employee lifecycle management, it is not practical to assign a single accountability owner for a WMATA-wide offboarding program. However, Procurement and Materials is developing a Contractor On/Offboarding Standard Operating Procedure (SOP) with Human Capital and Metro Transit Police.

**Washington
 Metropolitan Area
 Transit Authority**

OIG Evaluation Report: Review of WMATA's Contractor Offboarding Program
Page 2

The purpose of the SOP will be to define the processes, tools, roles, and responsibilities for the overall management of the on/offboarding process for contractor employees, including requesting new ID badges and renewing or terminating existing ID badges. These procedures govern processes such as issuing and surrendering WMATA property, terminating access to facilities and automated systems, canceling credentials, etc. A streamlined on/offboarding process will assist in safeguarding WMATA's physical property, information technology, and information assets.

The SOP will be completed by June 12, 2024.

- 3) Establish and execute a standardized contractor offboarding checklist, modeled after the existing WMATA employee separation checklist, to enhance consistency and efficiency in contractor offboarding processes.**

Response:

In conjunction with the Contractor On/Offboarding SOP, Procurement and Materials is developing a Contractor Offboarding Checklist. The Checklist will model 'Form FAA 4400-47 - Contractor Employee Offboarding', established by the Federal Aviation Administration. **The form will be completed by June 12, 2024.**

cc: Senior Executive Team
VP & Chief Risk and Audit Officer - Elizabeth Sullivan

Appendix B



ADMINISTRATIVE REQUIREMENTS FOR EMPLOYEE SEPARATION

Name (Last, First, Middle) _____ Forwarding Address (Street, City, State, Zip Code) _____ Forwarding Area Code and Telephone Number _____	<p style="text-align: center;"><u>Type of Separation</u></p> <input type="checkbox"/> Workforce Reduction <input type="checkbox"/> Resignation <input type="checkbox"/> Involuntary Separation <input type="checkbox"/> Retirement Grade/Step _____ <input type="checkbox"/> NRP <input type="checkbox"/> L889 <input type="checkbox"/> L922 <input type="checkbox"/> L2 <input type="checkbox"/> FOP Department/Office _____ Office Code _____ SSN (Last 4 digits) _____ EMPLOYEE ID _____
--	--

EMPLOYEE CHECKLIST

<u>Organizational Element/Asset</u>	<u>Issued</u>	<u>Recovered</u>
Computer	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Laptop	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Cellular Telephone# _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mobile Devices _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Devices _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Parking Pass# _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
WMATA ID Card	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Uniforms# _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Office Keys	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Desk Keys	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Credit Card	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Travel Card	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Tools/Equipment _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
SMARTRIP Card	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

LEAVE RECONCILIATION

Annual Leave Balance _____	Sick Leave Balance _____
Time Not Recorded _____	Time Not Recorded _____

REMARKS

Provide remarks (if applicable) _____

Supervisor Signature/Date _____

TO REPORT FRAUD, WASTE, OR ABUSE

Please Contact:

Email: hotline@wmataoig.gov

Telephone: 1-888-234-2374

Fax: 1-800-867-0649

Website: www.wmataoig.gov

Address: WMATA
Office of Inspector General
Hotline Program
500 L'Enfant Plaza S.W., Suite 800
Washington, D.C. 20024