

WMATA OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT

NO. 37 | JULY 1 – DECEMBER 31, 2025

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Message from the Inspector General



Michelle A. Zamarin
Inspector General

On behalf of the WMATA Office of Inspector General (OIG), I am pleased to present the 37th Semiannual Report (SAR) to the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors, covering the six-month period ending December 31, 2025.

Over the past six months, our Auditors, Special Agents, Evaluators, Data Scientists, Analysts, and Administrative Staff advanced OIG's mission to strengthen WMATA's economy, efficiency, and effectiveness while identifying and addressing fraud, waste, abuse, and other serious misconduct. The results reflected in this report are a direct product of their professionalism, independence, and commitment to excellence.

During this period, the Office of Audits and Evaluations (OA) focused on WMATA's most critical concerns affecting safety, operations, and finance. The team successfully executed 10 contract audits and issued one management assistance report, one limited review memorandum, and one evaluation report. These efforts collectively identified \$23 million in monetary benefits, underscoring OA's significant impact on WMATA's financial stewardship. In addition, as part of our oversight responsibilities, we facilitated WMATA's annual audit of the fiscal year 2025 financial statements.

OA's highlights during this period include issuing a Management Assistance Report to WMATA. As part of its ongoing review of WMATA's Enterprise Resource Planning (ERP) system implementation, OA assessed whether a structured process was followed. The review identified significant oversight deficiencies, including weak stakeholder engagement, a lack of documented acceptance of deliverables, and governance gaps that caused substantial implementation delays. By identifying these issues now, we aim to minimize cost increases and ensure the project remains aligned with WMATA's objectives. The ERP transition from PeopleSoft, which supports more than 14,000 users, is a major investment, and our phased review approach will continue as additional modules are added to the implementation.

At the same time, the Office of Investigations (OI) managed a consistently high volume of hotline complaints and focused on issues representing the most significant operational and compliance risks to WMATA. During this reporting period, OI opened 26 investigations and closed 27 investigations. Our cases resulted in 17 management actions (e.g., terminations, reprimands, contract actions) and one criminal action (e.g., pleas, indictments, sentencing). OI experienced an increase in conflict-of-interest investigations, reflecting heightened attention to ethics and vendor integrity. These investigations involved employees and contractors in positions of trust, where undisclosed relationships or improper benefits posed significant risks to procurement and financial processes. By promptly investigating allegations, OI helps WMATA prevent reputational harm and financial loss while strengthening internal controls. OI's work led to management actions,

including terminations and formal reprimands, thereby reinforcing WMATA's commitment to integrity and accountability.

I am grateful to WMATA Management and staff for their collaboration and timely implementation of corrective actions, and to the Board of Directors for its continued support. It is a privilege to lead this office and its dedicated team in service of WMATA and the region.

Michelle A. Zamarin
Inspector General

OVERVIEW OF OIG

BACKGROUND

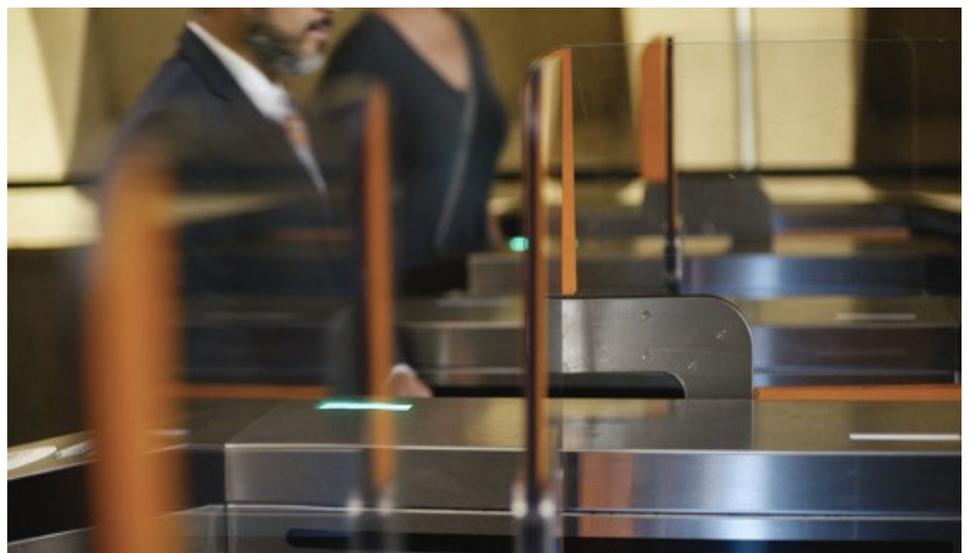
The WMATA Board of Directors (“Board”) established OIG on April 20, 2006, with Resolution 2006-18. On August 19, 2009, the WMATA Compact was amended to codify OIG by statute and to make the Inspector General an officer of WMATA. The Inspector General reports to the Board.

*Promoting
economy,
efficiency, and
effectiveness
in WMATA
activities*

MISSION STATEMENT

OIG’s mission depends on our talented staff who are dedicated to OIG’s independent and objective work.

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



OUR CORE VALUES

Excellence

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

- We value a proactive, 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 that our work is accurate 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 be fair, balanced, and credible.

- 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.

OUR VISION

We inspire excellence in our people by encouraging their training, advancement, and professional educational development. Through our support, they deliver high-quality independent oversight of WMATA's programs and operations. We are dedicated to working in a collaborative environment with key stakeholders to foster, promote, and maintain the integrity of WMATA's revenue, expenses, assets, and its employees.

OIG comprises two offices – the Office of Investigations (OI) and the Office of Audits & Evaluations (OA).

OFFICE OF INVESTIGATIONS

Office of Investigations (OI) staff have extensive law enforcement experience at the local, state, and federal levels, conducting fraud, financial, administrative, misconduct, and myriad other criminal investigations. In addition, OI includes staff who are experts in data analytics and computer forensic investigations. Many OI staff are certified through the Association of Certified Fraud Examiners and/or the Association of Inspectors General. There are currently 21 employees in OI.

Investigations

OI conducts criminal, civil, and administrative investigations relating to WMATA activities, programs, and operations. OI is responsible for investigating complaints from Congress, the partner jurisdictions, the WMATA Board, internal WMATA sources, outside governmental agencies, and the public. OI is also responsible for investigating whistleblower retaliation complaints and assists the Metro Transit Police Department with internal affairs investigations of senior command staff. OI pursues proactive investigations through the recruitment of confidential informants and mining financial information to detect evidence of wrongdoing. Investigations can lead to criminal prosecution, civil penalties, disciplinary or other administrative action, or any combination thereof. OI also provides regular fraud awareness training to various WMATA departments and employees.

Cyber & Forensics

The Cyber & Forensics Unit manages OIG's information technology, cybercrimes, and forensics programs. Its primary function is to provide expert digital forensic support and coordination for OI investigations, and the unit also supports the Office of Audits and Evaluations (OA) with some audits and evaluations. The unit leverages state-of-the-art technologies and innovative methodologies to support OIG operations. Its members also serve as subject matter experts and hold professional certifications in areas such as digital forensic analysis and network administration.

Data Analytics

The Data Analytics Unit manages the intake of OIG hotline complaints and determines the appropriate handling of those matters. Generally, hotline complaints are the initial source of information that leads to investigations, audits, or evaluations. Complaints outside the purview of OIG are referred to WMATA Management or external agencies, as appropriate. The Data Analytics Unit also supports OIG's mission by employing data analytics and technology to uncover fraud and misconduct in WMATA programs and activities that might otherwise go undetected.

OFFICE OF AUDITS & EVALUATIONS

The Office of Audits & Evaluations (OA) comprises three divisions: financial and contract audits, performance audits (including information technology and administrative audits), and evaluations. There are currently 22 employees in OA.

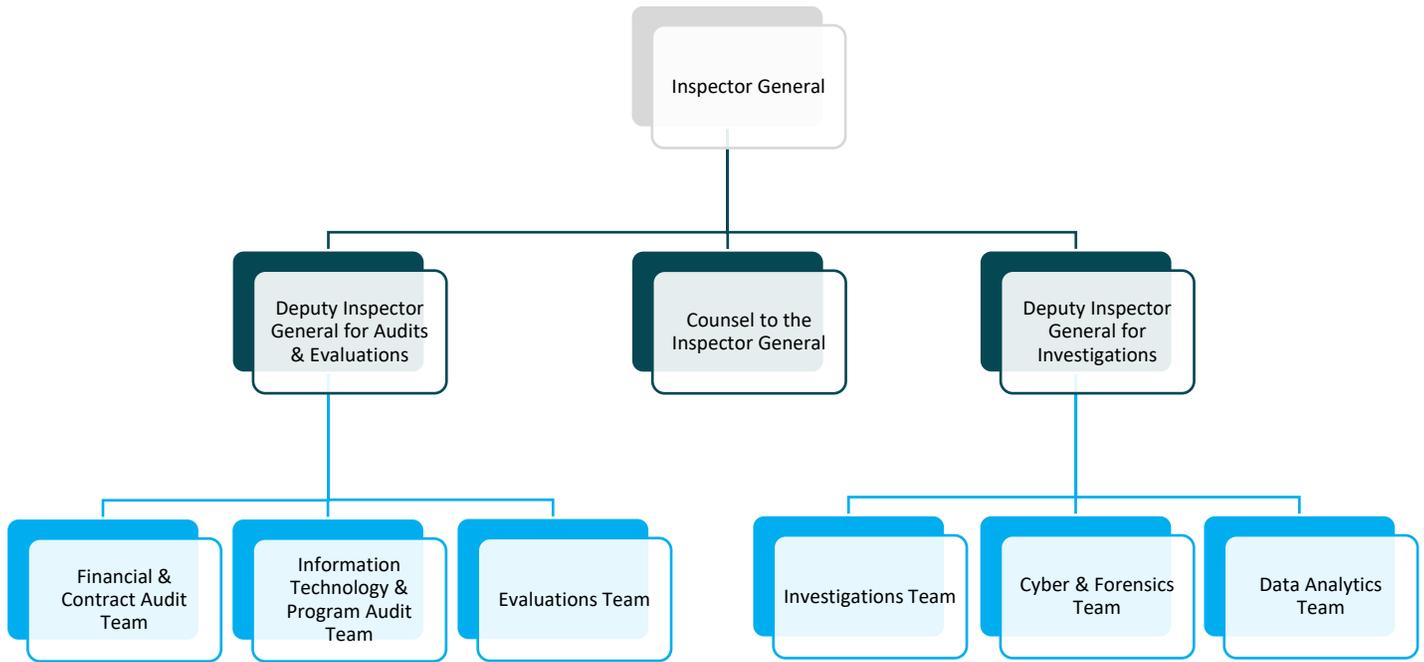
OA provides independent assessments of WMATA programs and operations that help reduce waste, abuse, fraud, and mismanagement, and promote the economy, efficiency, and effectiveness of WMATA operations. OA also oversees WMATA's financial audit work conducted by an outside public accounting firm on behalf of OIG. Our staff comprises auditors and evaluators with educational backgrounds and degrees in accounting, finance, and information systems. Most staff have professional certifications as accountants, internal auditors, fraud examiners, and information systems auditors.

On September 11, 2025, OIG issued its Annual Plan that summarizes the audits and evaluations planned for the coming fiscal year. Before issuing its Annual Plan, OIG seeks input from the Board of Directors, the GM/CEO, and his senior executive leadership team as part of the planning phase. Unanticipated high-priority issues may arise

that also generate audits, reviews, and/or evaluations not listed in the Annual Plan. Timeliness, relevance, and impact drive OA's work, ensuring its success and fostering positive change at WMATA.

OIG ORGANIZATIONAL CHART

The chart below identifies the leadership structure for OIG. This structure enables OIG to be more efficient in our work.



INVESTIGATIONS



1 CRIMINAL MATTER



1 MANAGEMENT ALERT



2 REPORTS OF INVESTIGATION



4 DEBARMENT ACTIONS



8 WHISTLEBLOWER RETALIATION COMPLAINTS CLOSED



910 WMATA STAFF TRAINED ON FRAUD AWARENESS

BACKGROUND

During this reporting period, OI conducted both criminal and administrative investigations involving allegations of wrongdoing. OI staff work closely with federal, state, and local law enforcement agencies and prosecutors to pursue criminal charges when appropriate. During this reporting period, OI also 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.

CRIMINAL MATTER

Criminal Sentencing for Health Care Fraud Scheme

On August 6, 2025, a former WMATA Train Operator was sentenced to 36 months of probation and ordered to pay \$81,206 in restitution by the U.S. District Court for the District of Columbia after pleading guilty to conspiracy to commit healthcare fraud. The Train Operator is one of multiple WMATA employees who pled guilty to using WMATA documents and forging real doctors' signatures to create and submit fraudulent insurance claims to American Family Life Assurance Company of Columbus (AFLAC) for injuries, medical treatments, and disability periods that did not exist. The Train Operator provided kickback payments to another employee who facilitated the scheme and has also been indicted on federal health care fraud charges.

MANAGEMENT ALERT

Fraudulent Urine Sample Substitution for U.S. Department of Transportation Drug Testing

OIG initiated an investigation after being alerted to suspicious Bus Operator behavior during a WMATA-administered U.S. Department of Transportation (USDOT) random drug test. During the investigation, OIG learned that commercially available urine products are marketed for and used to pass USDOT's standard drug test. OIG obtained and tested several of these products under controlled conditions; one of them passed the USDOT standard drug test on multiple attempts. When interviewed by OIG, the Bus Operators in question admitted to misconduct: one for

supplying a urine-substitution product and the other for using it to commit fraudulent sample substitution. WMATA Management terminated both Bus Operators based on OIG's Management Alert. OIG also notified USDOT and the U.S. Federal Transit Administration of the investigative findings.

REPORTS OF INVESTIGATION

Receipt of Direct Payments from a Vendor by Accounts Payable Director

An OIG joint investigation found that WMATA's Director of Accounts Payable improperly accepted multiple direct payments from an executive of a WMATA vendor. The Director admitted to using \$1,000 of those payments for personal expenses. The Director's responsibilities included supervising WMATA staff who managed the vendor's personnel and processed vendor invoice payments, including the executive's timesheets. The Director also served on a bid evaluation team for which the vendor in question was pre-approved to submit a bid but ultimately did not. The Director failed to report the receipt of these payments to WMATA as required by policy. OIG and the Federal Bureau of Investigation jointly investigated and referred the case to the U.S. Attorney's Office for the District of Columbia for prosecution, which ultimately decided not to pursue criminal charges. As a result of OIG's investigative report, Management terminated the Director's employment with WMATA.

Receipt of Gratuities from a Vendor by Senior Executive and Other WMATA Managers

An OIG investigation found that a WMATA Senior Executive and six other managers violated the ethics policy by accepting gratuities from a WMATA vendor. Over multiple years, the vendor hosted holiday parties at upscale restaurants, where WMATA employees and their guests accepted gratuities, including food, alcoholic beverages, and gifts. Some WMATA employees who attended these events oversaw vendor staff, approved vendor payments, and reviewed vendor contract proposals and performance. Every WMATA employee who attended these vendor-sponsored holiday events completed annual ethics training and was required to file annual ethics disclosures. However, none sought ethics guidance before attending the events, nor did they disclose the gratuities after the fact, as required by policy. The Senior Executive, who is no longer a WMATA employee, and six managers received formal letters of reprimand for violations of the ethics policy. As previously reported, WMATA management terminated its contracts with this vendor for improper procurement activities uncovered during the OIG investigation.

DEBARMENT ACTIONS

WMATA formally suspended and is pursuing the debarment of 4 entities this reporting period as a result of OIG's investigative work.

WHISTLEBLOWER RETALIATION COMPLAINTS

OIG investigates complaints from whistleblowers who believe they were retaliated against for reporting wrongdoing or safety and security issues. OIG independently reviews these allegations to determine whether the reported matter constitutes protected activity and whether any subsequent personnel action was taken because of that protected activity. During this reporting period, OIG closed 8 whistleblower retaliation investigations.

HOTLINE ACTIVITY

The OIG Hotline receives information from WMATA employees, customers, vendors, and the public. It is an important avenue for reporting criminal and other misconduct. OI staff review the information received to evaluate whether OIG investigative action is needed, whether a referral to an outside agency is appropriate, or whether a referral to an internal WMATA office for review and action is warranted.

Tables 1 through 3 below provide an overview of the number of complaints received, dispositions, sources of complaints, and whistleblower activity throughout this reporting period.

Table 1: Hotline Complaints Received ¹

Total Complaints Received	280
Investigations Initiated from Complaints	26
Hotline Complaints Under Review	9
Referred to Management or Other Entity	140
Closed - No OIG Action	105

¹As of December 31, 2025.

Table 2: Hotline Complaints by Source

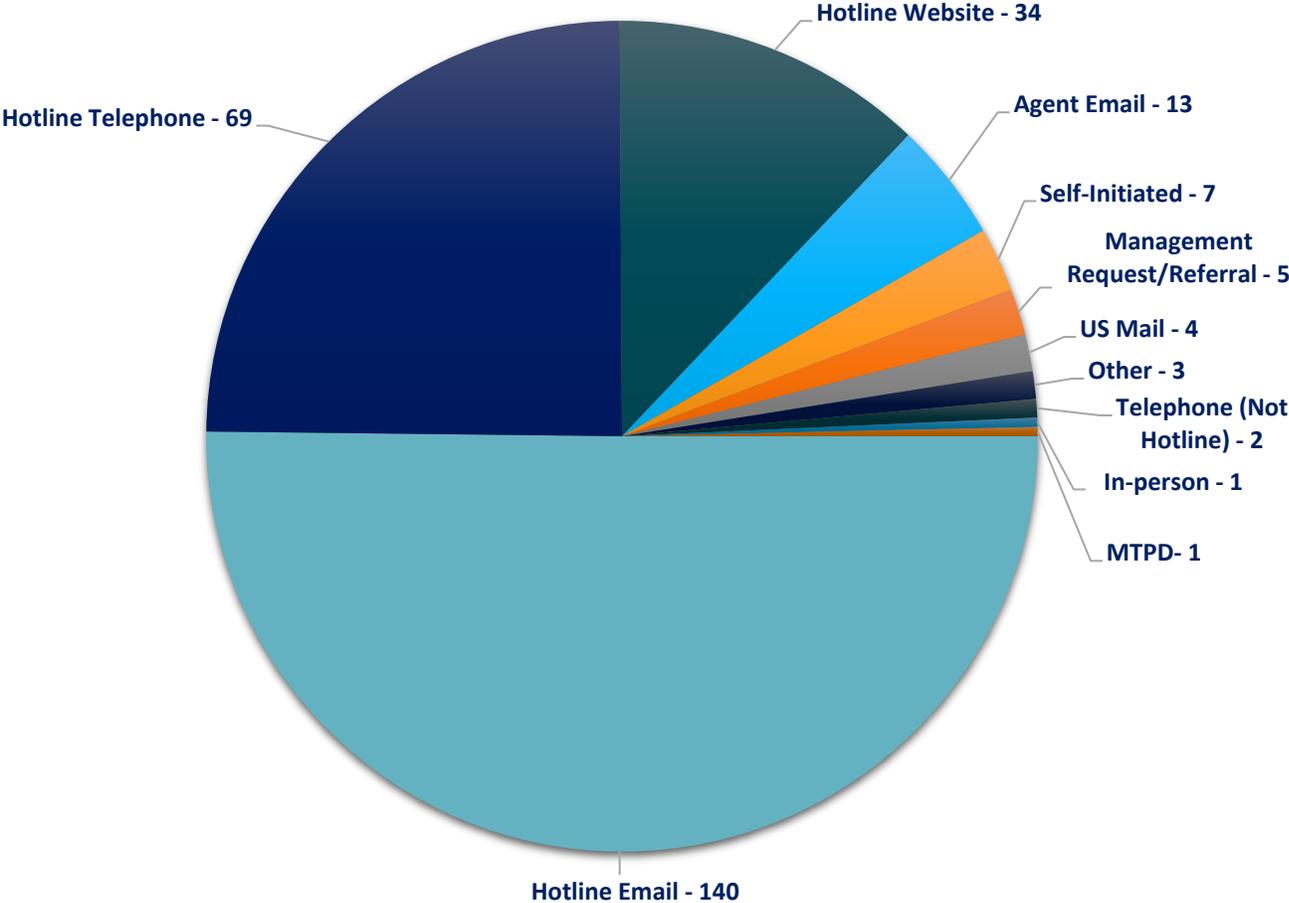
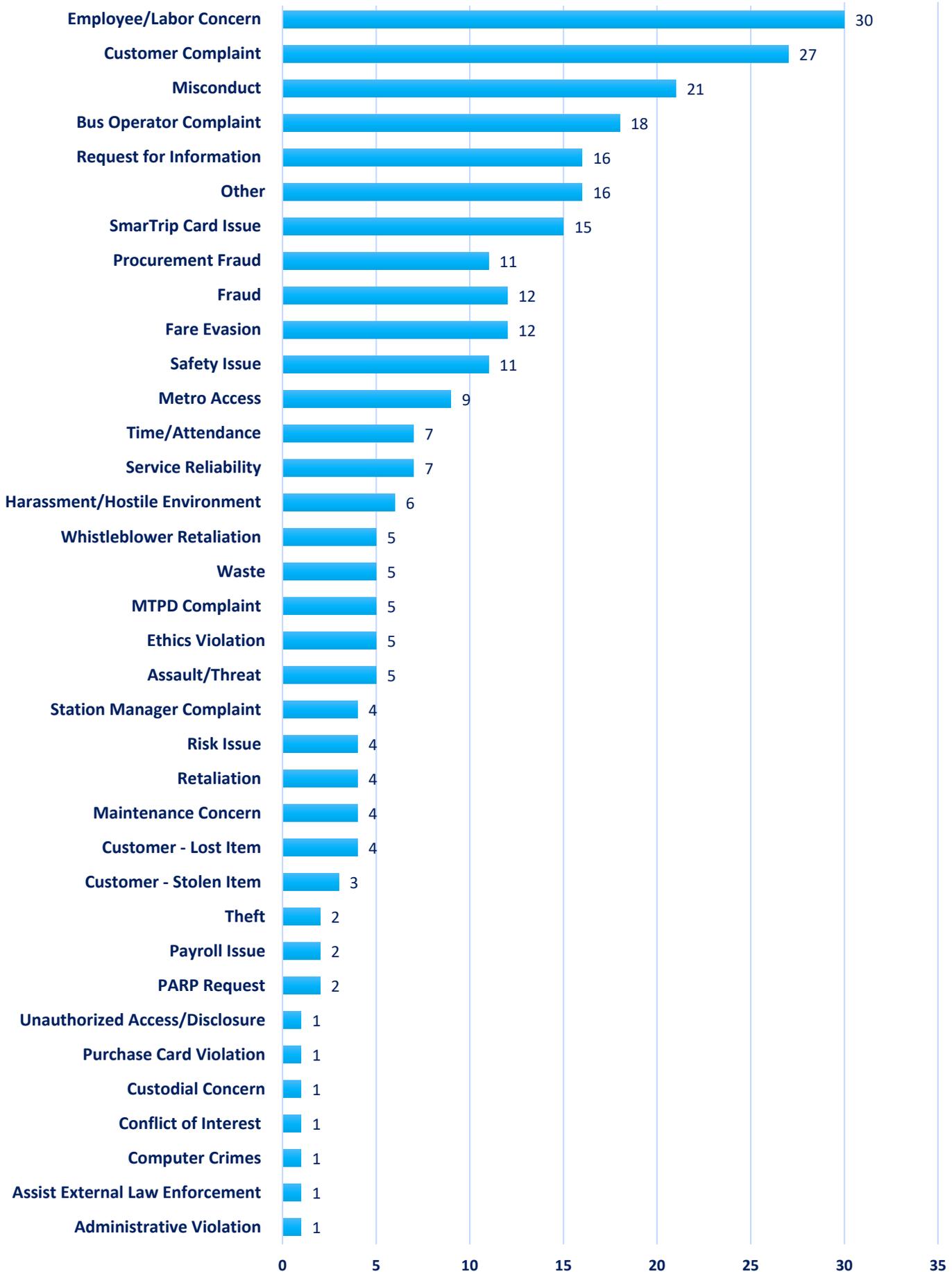


Table 3: Number of Hotline Complaints by Category



AUDITS & EVALUATIONS



\$23 MILLION
IDENTIFIED IN
MONETARY BENEFITS



2 AUDIT REPORTS



1 LIMITED REVIEW
MEMO



10 CONTRACT AUDITS



1 EVALUATION REPORT

BACKGROUND

OA's work focuses on areas of concern such as IT security, financial management, contracts, human capital, administrative issues, and high-risk programs that impact the safe operation of the transit system. During this reporting period, OA issued two audit reports, one limited review memorandum, one evaluation report, and 10 procurement contract audit reports. OA's audit and evaluation work identified \$23 million in monetary benefits during this reporting period.

As of December 31, 2025, an additional seven performance audits, two financial audits, 17 procurement and contract audits, and three evaluation reports were in progress.

AUDIT SUMMARIES

Management Assistance Report: Review of WMATA's ERP Implementation Project

WMATA currently uses PeopleSoft as its primary system for Financial, Human Capital Management, Enterprise Learning Management, and other critical operational activities, supporting over 14,000 users across the organization. WMATA plans to implement a new enterprise resource planning (ERP) system to enhance operational efficiency and improve financial reporting. This initiative aims to deploy an integrated suite of enterprise solutions designed to elevate service delivery, adopt best practices, and significantly boost the efficiency and effectiveness of WMATA's customer service and business processes.

The objective of this limited review was to determine whether WMATA is following a structured and disciplined process to implement the new ERP solution. The scope of the review was limited to the finance component, which includes the accounting, grant, and project management modules.

Report Results: OIG identified significant deficiencies in project management oversight that resulted in implementation delays. Specifically, OIG’s audit found:

- WMATA did not effectively manage stakeholder engagement.
- No documentation that all stakeholders reviewed and accepted the ERP contract deliverables.
- Disagreements over the proposed grants and project management solutions caused significant implementation delays; and
- Overreliance on contractors and an inadequate governance structure hampered WMATA’s ability to supervise the project adequately.

Audit of WMATA’s Financial Statements for FYs 2025 and 2024

The WMATA Compact, Section 70, states that an audit shall be made of the financial accounts of WMATA, shall be prepared in accordance with generally accepted auditing principles, and shall be filed with the Chair and other officers as the Board shall direct. The Board, through the adoption of Board Resolution 2006-18, vested in OIG the responsibility for oversight of WMATA’s annual independent audit of financial statements. The objective of this audit was to:

- Express opinions on the WMATA’s financial statements;
- Review compliance with applicable laws and regulations;
- Review the controls in WMATA’s computer systems that are significant to the financial statements; and
- Assess WMATA’s compliance with the Office of Management and Budget’s Uniform Guidance.

Audit Results: The external auditor conducted the audit, and OIG performed oversight and monitoring procedures to ensure the completion of the audit deliverables. In December 2025, the Audit of WMATA’s Financial Statements for the fiscal years ending June 30, 2025, and June 30, 2024, was issued. WMATA received an unmodified “clean” opinion on the report.

Review of Capital Transfers to Operating Expenditure Accounts

On November 20, 2024, OIG received a complaint from within the Office of Accounting. The complainant questioned the accounting treatment of certain transactions that were manually transferred from Capital Expenditure (CapEx) accounts to Operating Expenditure (OpEx) accounts after being initially booked to CapEx accounts. Furthermore, the complainant questioned the potential impact of the transfers on compliance with federal and jurisdictional funding agreements.

Consequently, OIG reviewed WMATA’s CapEx to OpEx transfer process and the questioned transactions identified in the complaint. The objective of our review was to assess whether the transactions were appropriately classified and whether WMATA properly used funds from federal and jurisdictional funding agreements.

OIG did not identify any instances of noncompliance with federal or jurisdictional funding agreements. Instead, we found that the transfers questioned were made as part of WMATA’s semiannual accounting closing

procedures, in which WMATA reconciles Work in Progress accounts to ensure compliance with the United States Generally Accepted Accounting Principles (U.S. GAAP).

AUDITS IN PROGRESS

Audit of WMATA's Data Privacy Practices

Data privacy and the use of personal information are issues of increasing concern for many organizations as a result of digital transformation and global regulations. Data privacy is a crucial aspect of business continuity. It is also one of an organization's greatest risks and, if mishandled, can become one of its most significant liabilities.

The audit will assess WMATA's compliance with applicable data protection laws, regulations, and privacy standards.

Audit of WMATA's Accounts Payable Payments for Outside Party and Miscellaneous Vendors

WMATA's accounts payable team is responsible for ensuring that payments to vendors, third parties, jurisdictions, and employee reimbursements are processed timely, accurately, efficiently, and in compliance with policies and regulations.

The objective of the audit is to determine the effectiveness and efficiency of internal controls over WMATA's accounts payable process and payments.

Audit of ERP System Pre-Implementation Readiness

WMATA currently utilizes PeopleSoft as the primary system of record for its Financial, Human Capital Management, Enterprise Learning Management, and other critical operational activities, supporting over 14,000 users across the organization. WMATA plans to implement a new enterprise resource planning (ERP) system to enhance operational efficiency and improve financial reporting. This initiative aims to deploy an integrated suite of enterprise solutions designed to elevate service delivery, adopt best practices, and significantly boost the efficiency and effectiveness of WMATA's customer service and business processes.

The objective of this audit is to assess WMATA's pre-implementation readiness for the new ERP system and ensure that a sound project management framework is in place to support an effective and efficient implementation process. OIG issued its first report on the ERP implementation, focusing on the finance module, in July 2025. For the next phase, OIG will focus on additional ERP modules, including Human Capital and Procurement.

Audit of WMATA's Vendor Master File and Supplier Portal

WMATA's vendor master file and supplier portal are critical components of its financial and procurement operations, serving as the centralized repository for all vendor-related information. It includes key details such as vendor names, addresses, contact information, payment terms, and banking details. While the vendor master file database facilitates efficient vendor management and payment disbursements, the supplier portal supports the procurement processes to ensure adequate competition among all eligible vendors. The integrity and reliability of the vendor master file and supplier portal are crucial for ensuring financial transparency and

accountability. The accuracy of vendor information and adherence to procurement policies must also be assessed. Maintaining a clean and reliable vendor master file and supplier portal supports informed decision-making, strengthens vendor relationships, and safeguards WMATA's financial interests.

The objective of the audit is to determine if WMATA has effective internal control over its vendor master file and supplier portal.

Audit of WMATA's Cloud Computing Strategy

Cloud computing provides on-demand access to a shared pool of computing resources. The adoption of cloud computing has become mainstream among 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 Transit Asset Inventory and Conditions Assessment Process

WMATA maintains a comprehensive transit asset inventory encompassing all vehicles, infrastructure, and equipment essential for transportation operations. This inventory serves as a vital resource for strategic planning, maintenance scheduling, and budget allocation.

Regular assessments of asset conditions are conducted to evaluate their performance, safety, and reliability. These assessments involve systematic inspections, data collection, and analysis to identify maintenance needs, prioritize investments, and ensure compliance with regulatory standards. As part of WMATA's transit asset management plan framework, the integrity of the transit asset inventory and the condition assessment process should be validated. Additionally, data accuracy and compliance with asset management policies should be verified.

The objective of the audit is to determine the effectiveness of internal controls over WMATA's transit asset inventory and conditions assessment process.

Audit of WMATA's AIM-SCADA and Train Control Systems

The Advanced Information Management (AIM) rail system allows WMATA dispatchers and supervisors to manage all rail line traffic, power traction devices, and station equipment by receiving information from the field, processing it, and displaying it on workstations and large projection screens. AIM is the nerve center of the rail train system and is used in the Metro Integrated Command and Communications Center.

The objectives of this audit will be to determine whether the AIM/Supervisory Control and Data Acquisition (SCADA) and train control systems provide a safe, reliable, scalable, and cost-effective option as WMATA modernizes its rail operations.

WMATA's Single Audit for Fiscal Year 2025

The Single Audit Act, as amended, requires an independent external auditor to audit WMATA's federal awards annually in accordance with applicable standards. In compliance with this requirement, OIG retained RSM to conduct this annual audit.

The objective of the Single Audit is to ensure that WMATA, as a recipient of federal funds, is in compliance with the federal program's requirements for how the money can be used. OIG is responsible for overseeing WMATA's Single Audit.

Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements Fiscal Years Ended 2025 & 2024

WMATA has a funding agreement with 10 local jurisdictions (the Participating Jurisdictions) to provide a seamless regional system for transit fare collection across WMATA's service area and the Maryland Transportation Administration, using smart card technology (SmarTrip). 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 is to express an opinion on WMATA's SmarTrip Regional Partner Comparative Billing Statements for FYs 2025 and 2024.

PROCUREMENT AND CONTRACT AUDITS

OIG issued 10 contract audits this reporting period. During this time, OIG's reorganized Contract Audit group played a critical role in providing financial advisory services to support WMATA's procurement process by conducting pre-award audits to assess contractors' financial capabilities, accounting systems, and regulatory compliance. OIG also introduced a more strategic approach to selecting contracts for review, enhanced reporting to WMATA leadership and the Board, and increased collaboration with WMATA staff.

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 its contract negotiation process. These audits may uncover fraud, waste, 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. The types of reviews and methodology are as follows:

- **Cost Analysis** - Assess a contractor's proposal (e.g., labor rates, indirect rates, materials, etc.) to determine whether the pricing information is current, accurate, complete, and ties back to the contractor's accounting systems and supporting documentation.

- **Billing Rates** - Assess the basis of the billing rates and support for the cost elements (base wage rates and overheads) included in a contractor’s proposal to ensure that the pricing information is current, accurate, and complete.
- **Financial Capability** - Assess financial data provided by a prospective contractor to determine whether the contractor has adequate financial resources and meets the applicable standards for a responsible prospective contractor.
- **Buy America** - Assess the pre-award and post-delivery certification of rolling stock vehicle compliance with the Federal Transit Administration’s Buy America Act regulations by reviewing supplier certifications, invoices, and final assembly costs.

From July 1, 2025, through December 31, 2025, OIG issued 10 contract audits.

Table 4: Contract and Buy America Audit Reports

Report Number	Report Title	Date Issued	Potential Monetary Benefits
CAR 26-001	Independent Review of Proposed General and Administrative (G&A) Rates, Contract No. FIRPG 211113, Structural Priorities A	09/02/2025	TBD
CAR 26-002	Independent Review of Price Proposal, Contract No. CCSCM24018, Operation and Maintenance of Customer Information Electronic Display System (CIEDS) Signs	09/05/2025	\$5,515,561.62
CAR 26-003	Independent Review of Post Pricing Cost, Contract No. COBTR233088-W-8, Faregate - Barrier Performance Study	09/17/2025	\$2,810,857.03
CAR 26-004	Independent Review of Proposed Indirect Rates, Contract No. FLAND244003-F, Bike Parking Equipment - Operations and Maintenance	10/01/2025	TBD
CAR 26-005	Independent Review Invoices, Contract No. FQ15190A-22-PLAN-10, VIENNA Bus Transfer D&E Feasibility Assessment Contract	10/06/2025	\$0
CAR 26-006	Independent Review of Price Proposal, Contract No. FBMNT233247-BTK, Low Floor Heavy-Duty Transit Hybrid and Electric Bus	10/23/2025	\$14,645,502.61
CAR 26-007	Independent Review of Pre-award, Contract No. FRSM255189, Grosvenor Station Platform Rehabilitation	10/29/2025	N/A
CAR 26-008	Independent Review of Price Proposal, Contract No. FQ2024, Task Order No. PUPL-0002, Staff Augmentation for Purple Line	12/09/2025	\$24,557.33
CAR 26-009	Independent Review of Proposed Indirect Rate, Contract No. FLAND244003-F, Bike Parking Equipment - Operations and Maintenance	12/10/2025	TBD
CAR 26-010	Independent Review of Proposed Rates, Contract No. FQ2024-WWPL-0003-A/E, Services for Wayside Work Planning Support	12/16/2025	TBD

EVALUATION SUMMARY

Evaluation of Controls Over Bus Operator Program Licensing Requirements

When operating WMATA vehicles, employees must comply with all jurisdictional motor vehicle laws, rules, and regulations. The safety of our customers and the public may be at risk when WMATA employees operate revenue vehicles without valid driver's licenses. The evaluation objective was to determine the efficiency and effectiveness of WMATA's internal controls over bus operator licensing requirements under Title 49 of the Code of Federal Regulations, Part 383: Commercial Driver's License (CDL) Standards; Requirements and Penalties (49 CFR 383).

Evaluation Result: OIG found that WMATA was not compliant with 49 CFR 383's requirement to request a 10-year CDL history from applicants. WMATA can strengthen internal controls for and enhance oversight of compliance with 49 CFR 383 by implementing the following:

- Updating WMATA's application process for all positions requiring a CDL to include a request for employment history information;
- Requiring all bus divisions to validate CDL restrictions as part of the daily CDL inspections; and
- Notifying all departments that maintain positions requiring a CDL of their obligations under 49 CFR 383 and determining the extent of existing controls governing compliance.

EVALUATIONS IN PROGRESS

Evaluation of Security Cameras

WMATA is piloting enhancements to the Metro Integrated Command and Communications Center to improve situational awareness of operating conditions. These modernization efforts may include upgrades such as intrusion detection and access control systems, new intercoms, communication equipment, and the necessary supporting infrastructure. The capital improvement project (CIP) 0145, Facility Security Monitoring Equipment Program, aims to enhance safety, deter crime, and ensure proper functioning of monitoring equipment by overseeing stations and facilities both inside and outside, while also advancing communication with customers, employees, and public service announcements.

The objective of the evaluation is to assess the functionality and operational effectiveness of security cameras across WMATA.

Evaluation of the Radio System Replacement Project

WMATA's Radio System Replacement Project is a multi-year effort to upgrade the agency's aging communications infrastructure to improve operational reliability and rider safety. Originally slated for completion in 2022, the project has been delayed to 2026. Reliable radio communications are critical for coordinating train movements, dispatching emergency services, and ensuring rider and employee safety. The extended timeline and shifting project scope have increased operational and financial risks, making effective project management, risk mitigation, and governance essential.

This evaluation will assess the effectiveness of WMATA’s project management, oversight, and risk controls for the Radio System Replacement Project.

Evaluation of Real Property Asset Management

WMATA holds and manages over 1,000 acres of real estate across the District of Columbia, Maryland, and Virginia. This includes rail stations, rail yards, parking facilities, bus loops, maintenance facilities, track infrastructure, and office buildings, supporting both operational needs and administrative functions. The management of these assets not only supports transit operations but also aims to promote Metro ridership, enhance community development, and contribute to WMATA’s financial sustainability.

The objective of this evaluation is to determine whether WMATA effectively manages its real property asset portfolio. This includes maintaining a comprehensive inventory of assets, guiding real property asset management, regulatory compliance, and overseeing facilities and space utilization to maximize value, support operations, and advance WMATA’s strategic mission.

CORRECTIVE ACTIONS ON 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 outstanding OIG recommendations. In every case, management’s ongoing actions will correct the deficiency identified during the audit.

Table 5: Recommendations Described in Previous Semiannual Reports for Which Corrective Action Has Not Been Completed as of December 31, 2025

Report Number	Report Title	Date Issued	Open	Final Action Completed	Total Recommendations	Latest Target Date for Completion
MAR-19-0003	Cybersecurity Vulnerabilities - 7000 Series Railcars	02/22/2019	1	3	4	12/31/2027
OIG 19-10	Audit of WMATA’s End-of-Service Life Operating System Software	05/01/2019	3	3	6	12/15/2025
OIG 19-11	Audit of WMATA’s Software Asset Management Program	06/19/2019	1	0	1	12/15/2025
IE-19-0001	Evaluation of WMATA’s Inventory Practices	01/06/2020	1	4	5	11/30/2029
OIG 22-01	Review of WMATA’s Mission Critical Legacy Systems	08/24/2021	3	0	3	12/31/2025
MAR-22-0001	Pension Plan Overpayments	10/28/2021	1	5	6	06/30/2027
OIG 22-02	Audit of WMATA’s Controls and Accountability of Fuel or Non-Revenue Vehicles	01/27/2022	1	10	11	02/15/2025
MA-22-0003	Audit of WMATA’s Cybersecurity Program – Critical Cybersecurity Vulnerabilities	05/17/2022	4	2	6	TBD

OIG 22-06	Audit of WMATA's Health and Welfare Plan Management	06/23/2022	3	6	9	TBD
MAR-23-003	OIG Concerns Over Critical Cybersecurity Vulnerabilities That Remain Unresolved	02/17/2023	3	11	14	12/31/2029
OIG 23-007	Audit of WMATA's Procurement Pre-Award Cycle Time	06/08/2023	1	9	10	TBD
OIG 23-008	Audit of WMATA's Money Train Operations	06/22/2023	1	11	12	TBD
OIG 24-03	Review of WMATA's Compliance with the Infrastructure Investment and Jobs Act	11/06/2023	2	1	3	TBD
OIG 24-07	Evaluation of WMATA's Background Screening Process for Employees of Contractors	02/08/2024	3	2	5	TBD
OIG 24-09	Audit of WMATA's Software Licensing Management	06/13/2024	3	2	5	12/31/2025
OIG 25-02	Audit of WMATA's Contract Modifications Process	11/21/2024	6	0	6	10/31/2025
OIG 25-05	Audit of WMATA's Travel Expenses	01/16/2025	6	0	6	TBD
OIG 25-07	Audit of WMATA's Data Center Cost Optimization	04/20/2025	19	0	19	12/15/2027
OIG 25-09	Audit of WMATA's Underground Storage Tanks	05/15/2025	5	1	6	06/30/2026
OIG 25-10	Evaluation of WMATA's Alternate Inventory and Material Practices	06/26/2025	6	0	6	12/15/2027
OIG 26-01	Management Assistance Report: Review of WMATA's ERP Implementation Project	07/09/2025	5	0	5	12/31/2025
OIG 26-02	Evaluation of WMATA's Controls Over Bus Operator Licensing Requirements	09/11/2025	3	0	3	04/01/2026

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