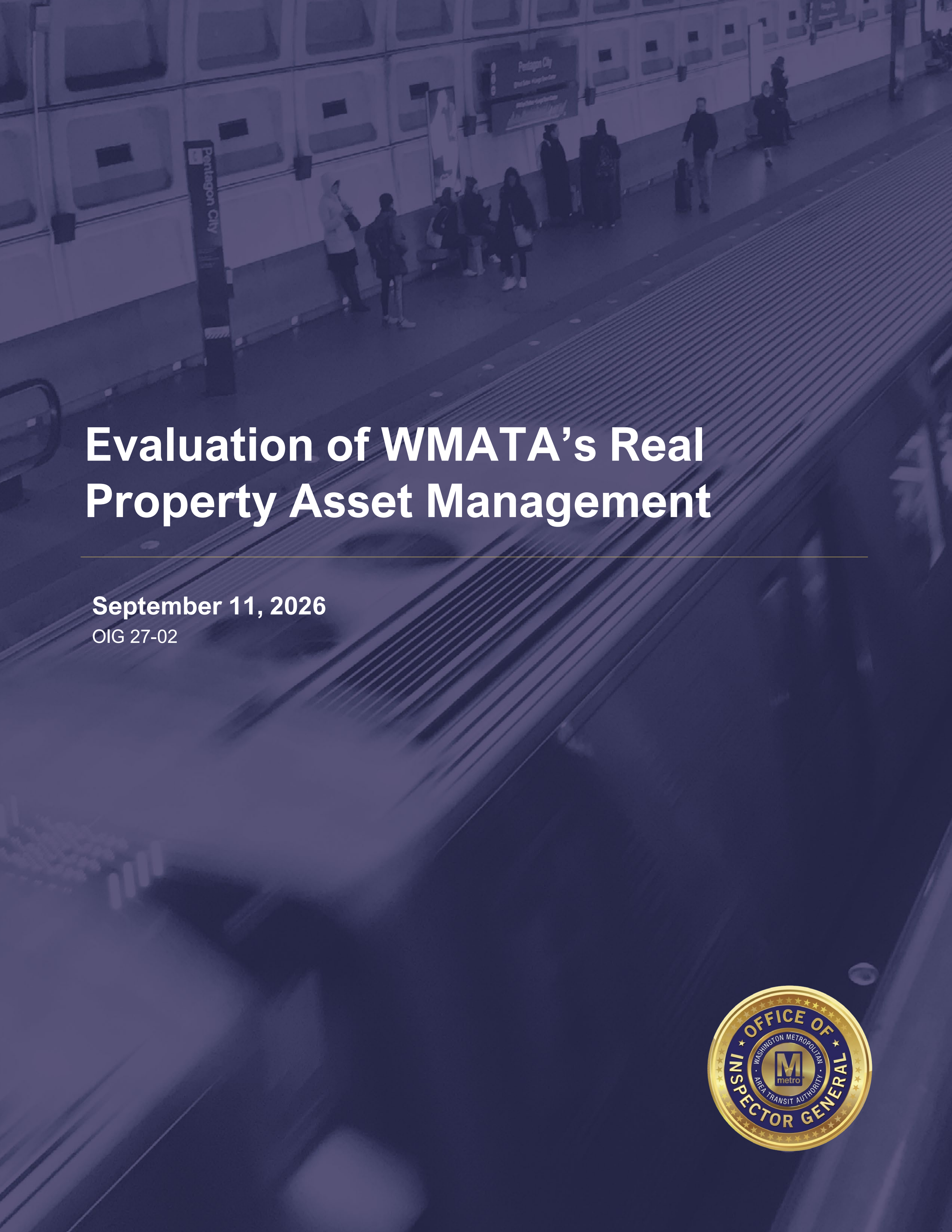


Evaluation of WMATA's Real Property Asset Management

September 11, 2026

OIG 27-02

Results in Brief

Evaluation of WMATA's Real Property Asset Management

Evaluation Objective

The objective of this evaluation was to assess whether the Washington Metropolitan Area Transit Authority (WMATA) effectively managed its real property portfolio and complied with Federal Transit Administration (FTA) data reporting requirements.

Why We Did the Evaluation

- The Office of Inspector General (OIG) conducted this evaluation because WMATA's real property portfolio exceeds $24 billion, with a large population of properties subject to FTA data reporting requirements.
- This audit was included in the Fiscal Year (FY) 2026 Annual Audit and Evaluation Plan.
- There may be opportunities to improve efficiency and economy of operations.

Recommendations

OIG identified six recommendations. By addressing them, WMATA may improve processes to strengthen management of its real property portfolio.

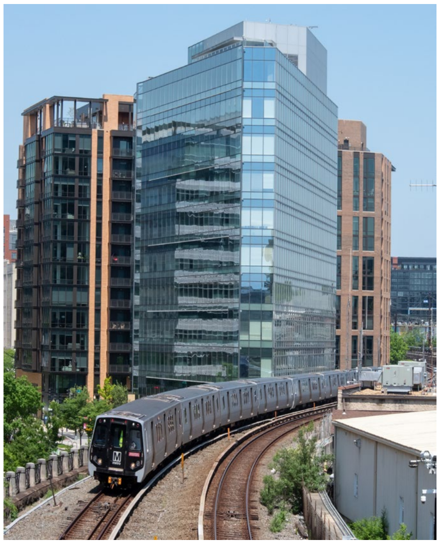
What OIG Found

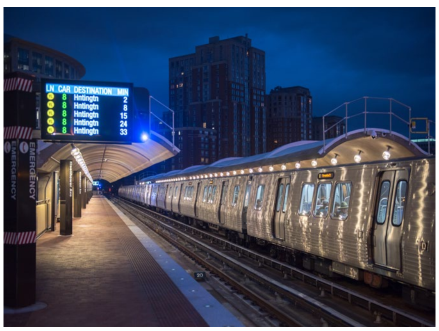
OIG identified significant deficiencies with WMATA's Department of Real Estate and Development's real property asset management. Specifically, OIG found:

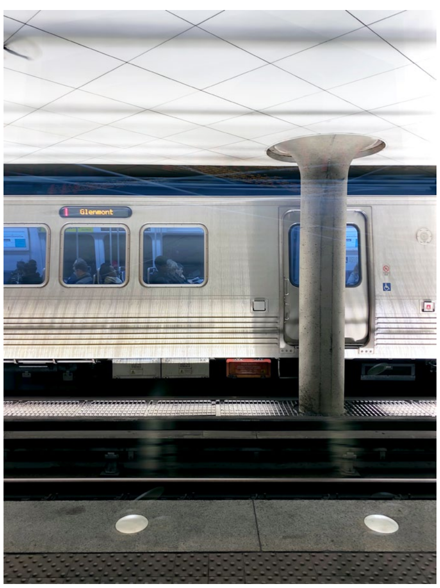
1. WMATA has not established a real property asset management framework.

2. Insufficient oversight of real property assets undermines WMATA's desired operational and financial outcomes.

OIG issued a Management Assistance Report (MAR) on May 14, 2026, recommending that WMATA's real property inventory include all its real property and all FTA-required data elements for FTA-funded real property. While the MAR primarily focused on FTA reporting compliance, this evaluation report focuses on the management of WMATA's real property portfolio.







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The Washington Metropolitan Area Transit Authority's (WMATA's) Office of Inspector General (OIG) conducted an evaluation to assess whether WMATA effectively managed its real property portfolio and complied with Federal Transit Administration (FTA) data reporting requirements. During the initial phase of this evaluation, OIG identified significant gaps in regulatory compliance and real property asset management. Because these issues are time sensitive and must be addressed before the FTA's next Triennial Review in fiscal year (FY) 2027, OIG issued a Management Assistance Report (MAR)[1] recommending that WMATA add all FTA-required data elements to FTA-funded properties and ensure that all WMATA-owned real estate interests are included in the real property inventory. While the MAR primarily focused on FTA compliance and the incomplete real property inventory listing, this evaluation assesses the broader effectiveness of WMATA's management of its real property portfolio.

Departmental Responsibility for Real Property Asset Management

Responsibility for managing WMATA's real property portfolio and leases resides with the Real Estate Asset Management (AMGT) team within the Department of Real Estate and Development (RED). Under the 2023 Real Estate Manual (Manual), AMGT must maintain a comprehensive inventory of all real property interests, including all FTA-required data elements. The Manual also charges RED with ensuring that WMATA's real estate—from office buildings to rail yards—is used productively, whether for WMATA's own transit functions or through joint development partnerships.

Standards Applicable to Real Property Asset Management

To evaluate the effectiveness of WMATA's asset management practices, OIG reviewed best practices and criteria for real property asset management and identified three applicable International Organization for Standardization (ISO) standards.[2]

ISO 55000 (Asset management — Vocabulary, overview and principles) provides an overview of an asset management system, its principles, and the expected outcomes of adopting the standard. Further, it provides context for the related asset management standards discussed below. **Figure 1**, included in ISO 55000, underscores the relationship between organizational management, asset management, and the assets being managed.

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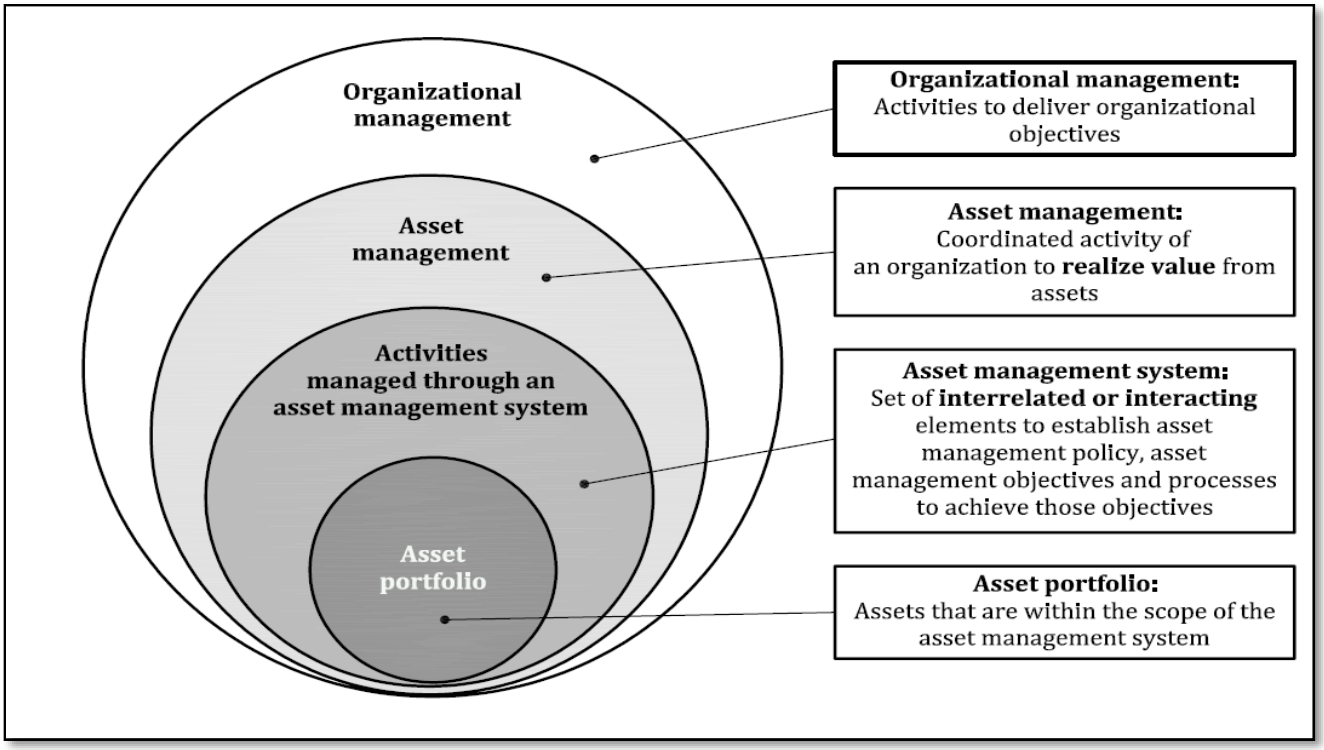
[1] *WMATA OIG. (2026). Management Assistance Report: Evaluation of WMATA's Real Property Asset Management (OIG 26-09).* https://wmataoig.gov/wp-content/uploads/2026/05/Evaluation-of-WMATAs-Real-Property-Asset-Management-OIG-26-09-IGFinal.pdf.

[2] *ISO is an independent non-governmental international organization. ISO brings together experts to share knowledge and develop voluntary, consensus-based, market-relevant international standards that support innovation and provide solutions to global challenges.*

Figure 1: Relationship Between Key Terms in Asset Management



ISO 55001 (Asset management — Asset management system — Requirements) and ISO 55002 (Asset management — Management systems — Guidelines for the application of ISO 55001) specify the requirements and provide guidance on establishing, implementing, operating, maintaining, and improving an asset management system under ISO 55000. ISO 55001 is organized into seven areas: (1) context of the organization, (2) leadership, (3) planning, (4) support, (5) operation, (6) performance evaluation, and (7) improvement. Importantly, any organization, regardless of size or type, can use ISO 55001 to manage all types of assets, both physical and non-physical. ISO 55002 provides explanatory information clarifying the requirements specified in ISO 55001 and offers examples to support their implementation.

The Government Accountability Office (GAO) identified these ISO standards as leading practices in its November 2018 report, *Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices*.[3] Using these ISO standards, asset management literature, and interviews with experts, GAO identified six key characteristics of an asset management framework that can help federal agencies manage their assets and resources

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[3] *GAO. (2018). Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices. (19-57). GAO. https://www.gao.gov/products/gao-19-57.*

effectively (*see* **Table 1**).[4] These characteristics provide a benchmark for assessing WMATA's real property management practices and for identifying gaps that pose operational or financial risks.

Table 1: GAO's Six Characteristics of an Asset Management Framework

Characteristic	Description
1. Using quality data	Organizations should collect, analyze, and verify the accuracy of asset data, including the organization's inventory of assets and data on each asset's condition, age, maintenance cost, and criticality to the organization.
2. Establishing formal policies and plans	Organizations should have a clearly defined governance regime that includes a strategic asset management plan that ties to the organization's mission and strategic objectives, defines the asset management scope, and defines the roles and responsibilities for each part of the organization.
3. Maximizing an asset portfolio's value	Organizations should develop an asset management policy to identify the value of their assets to achieve their mission and strategic objectives and invest in those assets in such a way as to derive the greatest value from them.
4. Maintaining leadership support	Organizational leadership should clearly articulate its support for asset management and provide the necessary resources for asset management to succeed.
5. Promoting a collaborative organizational culture	Organizations should promote a culture of information sharing and enterprise-wide decision-making regarding their assets.
6. Evaluating and improving asset management practices	Organizations should evaluate the performance of their asset management system and implement necessary improvements.

[4] *Although GAO's Audit Report is focused on federal real property asset management, the Asset Management Framework it developed can be applied to non-federal entities. The ISO Standards on Asset Management underlying the framework can be used by organizations across various industries that own and operate assets. This includes utilities, manufacturing, public transport and municipal infrastructure entities seeking to improve their asset management practices.*

Funding Sources for Real Property Asset Management

In November 2021, Congress and the President enacted the Infrastructure Investment and Jobs Act (IIJA).[5] The act requires OIG to issue a report, two years and five years after the enactment of the IIJA, that includes, among other things, an assessment of the effective use of funding to address major Capital Improvement Program (CIP) projects. As part of this effort, OIG identified several CIP initiatives potentially related to real property asset management that fall within the scope of this assessment. These programs will be incorporated into the five-year IIJA report.

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[5] *Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).*

Finding 1: WMATA Has Not Established a Real Property Asset Management Framework

WMATA does not have a real property asset management framework despite having a real property portfolio of land, buildings, improvements, and transit facilities with a total acquisition cost of over $24 billion as of June 30, 2025. OIG evaluated the current state of RED's real property asset management against the GAO's six characteristics of an effective real property asset management framework and identified gaps across all six areas.

Using Quality Data

RED has not developed a comprehensive inventory of WMATA's real estate interests, nor does RED's inventory include information needed to manage WMATA's real property portfolio. According to GAO, organizations with an effective asset management framework collect, analyze, and verify the accuracy of asset data, including their asset inventory and data on each asset's condition, age, maintenance costs, and criticality to the organization.

WMATA's real property data is stored across multiple business units and systems. Each system and the reports generated from those systems are used for different purposes. For example, the Accounting Department uses PeopleSoft to maintain its Asset Register to support the balances reported in WMATA's Annual Comprehensive Financial Report. Meanwhile, the Transit and Asset Management Office (TAMO) maintains a separate asset inventory as part of its Transit Asset Management (TAM)[6] Plan. This inventory is compiled from information provided by departmental asset owners using various systems.

OIG's MAR previously reported that certain real properties identified in the Asset Register and TAM inventory were not included in the October 2025 Real Property Inventory. The AMGT team included only those data elements associated with real properties it considered its direct responsibility. According to the director of AMGT, RED's inventory list was not used to manage WMATA's real property portfolio; instead, it was compiled as needed, typically when requested by the director of external audit and compliance, who serves as a liaison to FTA. The director of AMGT noted that real property is managed using PeopleSoft. However, PeopleSoft's use is limited to leased properties. According to the senior vice president RED, no other software or system was used to manage WMATA's real property portfolio.

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[6] *FTA requires grantees to develop a TAM plan which WMATA describes as a strategic and systematic process for grantees to operate, maintain, and improve public transportation capital assets effectively throughout their life cycle. According to TAMO, the purpose of the TAM plan inventory is to create a comprehensive inventory of all infrastructure assets, capturing detailed data such as asset type, age, location, condition and criticality. The desired outcome is a well-organized asset database that provides the foundation for decision-making and planning.*

By not leveraging the available data residing in all systems WMATA uses for real property, AMGT cannot maintain a comprehensive inventory of all real property as required by the Manual. Without this information, WMATA cannot ensure it has a complete understanding of its real property portfolio, which limits its ability to manage it effectively.

Establishing Formal Policies and Plans

GAO’s second characteristic calls for a clearly defined governance regime that includes a strategic asset management plan. The asset management plan should align with the organization's mission and strategic objectives, define the asset management scope, and specify the roles and responsibilities for each part of the organization.

The Manual does not fully address the essential characteristics of a comprehensive real property asset management framework. While some framework aspects are included, such as maintaining a current inventory of all WMATA-owned real estate interests or including required data elements for FTA-assisted real property, RED has not consistently fulfilled these functions in practice. Additionally, the Manual does not include any data elements beyond those required by FTA that could further strengthen WMATA’s ability to manage its real property portfolio.

The Manual also states that RED is responsible for utilizing WMATA’s real property productively for WMATA’s own purposes, such as office space, bus and rail facilities, warehouse space, and other transit-related functions, or for joint development with third parties. However, the Manual does not include any information about how RED is expected to discharge these responsibilities. Moreover, in contrast to the Manual, RED officials informed OIG that other departments were responsible for certain real properties. For example, according to RED, the Office of Facilities (FACI) was responsible for properties like facilities, bus loops, and tracks.

Separately, as previously discussed, WMATA has a TAM plan that includes an asset inventory. However, the TAM plan is not comprehensive for all real property; instead, it focuses on infrastructure assets, such as equipment and rolling stock.

WMATA has agreed to revise the Manual in response to a recommendation in OIG’s MAR. The Manual will be updated along with applicable accounting, facilities, and other manuals to align with the definitions in FTA Circular 5010.F and with the data elements in the real property inventory. WMATA added that it will incorporate a methodology for identifying all real properties subject to FTA reporting requirements, along with related controls.

Although these revisions are positive steps toward improving regulatory compliance with FTA real property reporting requirements, WMATA could further improve by incorporating best practices, for example, by preparing and issuing a strategic real property asset management plan that takes into consideration data beyond the FTA requirements.

Maximizing an Asset Portfolio's Value

GAO's third characteristic focuses on ensuring organizations understand and maximize the value of their asset portfolios. As noted above, OIG has not observed that RED has a strategic asset management plan for real property assets. Furthermore, we have not observed any steps by RED to maximize the value of WMATA's asset portfolio.

RED's October 2025 Real Property Inventory does not include the acquisition cost, appraised value, or any other financial information for any of the listed properties. Additionally, the Manual does not identify asset management policies or strategic objectives. Without this guidance and information, RED cannot track or monitor real property asset values and cannot effectively ensure WMATA derives the maximum value from them.

Maintaining Leadership Support

Another GAO characteristic of an asset management framework is that organizational leadership clearly articulates its support for asset management and provides the resources necessary for success. WMATA has recently taken action to enhance organizational leadership. For example, on March 27, 2026, WMATA issued a staff notice announcing an executive organization update in which RED was moved from the office of the Chief Financial Officer to the Office of Strategy, Planning, and Performance. Also, the former acting vice president of RED was elevated to senior vice president. According to the staff notice, these changes provide WMATA with "…an opportunity to integrate transit-oriented development efforts with key partners in Strategy and Policy, Performance and Planning, and Program Development to support Metro and the region." Continual leadership support will aid WMATA in implementing and maintaining a successful real property asset management framework.

Promoting a Collaborative Organizational Culture

According to GAO, organizations should promote a culture of information sharing and enterprise-wide decision-making regarding their assets. As previously noted, WMATA's real property data remains fragmented across multiple systems maintained by various departments, which hinders effective communication and interdepartmental data sharing. OIG observed limited evidence that WMATA promotes a collaborative organizational culture in real property asset management, as recommended by GAO. For instance, AMGT communicated ineffectively with other WMATA offices, leading to misunderstandings and missed opportunities for coordination. Examples of RED/AMGT's ineffective communication with each of these offices are as follows:

Reliability Engineering Asset Management (REAM) and Transit and Asset Management Office (TAMO)

Within REAM, TAMO serves as the central office for driving asset management initiatives and ensuring WMATA meets federally mandated requirements. TAMO is responsible for preparing and maintaining the TAM plan asset inventory, which is intended to create a comprehensive inventory of all infrastructure assets, capturing detailed data such as asset type, age, location, condition, and criticality. According to officials from REAM and TAMO, their teams had no interaction with AMGT until after OIG issued its MAR in May 2026. Instead, REAM had to rely on other departments to obtain real property inventory information.

Office of Facilities (FACI)

FACI's responsibilities include maintaining a state of good repair for WMATA's facilities, mechanical equipment, and fare collection systems. However, FACI management reported that RED made decisions regarding facilities and maintenance without prior consultation or discussion. FACI management expressed frustration that they will receive surprise requests for properties outside the office's portfolio and are required to respond reactively. As a result, they were unaware of FACI's full workload and could not plan for staffing needs effectively.

For example, RED informed FACI management that they would be responsible for stormwater management at the Congress Heights station based on a joint development agreement and to maintain the acquired Lord & Taylor property without being allocated the required resources.[7]

[7] *According to the FACI, utility costs incurred as of January 2026 totaled approximately $641,000, and labor costs totaled approximately $34,000.*

Funds and Grants Management

Funds and Grants Management is responsible, in part, for managing Federal, State, and local awards from application to closeout, including compliance with federal rules and regulations. The former director of Funds and Grants Management described their relationship with RED as less than collaborative, stating that RED was "not the best team player and a lone cowboy." According to the former director, the only time Funds and Grants Management is involved with real property is when RED loops it in on a disposition or acquisition.

Elevators and Escalators (ELES) and Car Maintenance (CMNT)

Project managers from both ELES and CMNT described poor communication with RED regarding a construction allowance for the buildout of a shared, leased maintenance facility located at 6304 Sheriff Road.[8] A project manager from CMNT stated that he was not aware of whether any construction offsets were available, despite having asked RED for months. Eventually, RED told him there was a $300,000 construction offset. However, RED did not provide written notice or any information on how the offsets should be applied. The project manager said he first learned of an August 1, 2024, deadline to use the construction allowance during a call with RED in January 2025, five months after the deadline had passed, meaning the construction offset had been (partially) forfeited.

The project manager from ELES also expressed concerns about his visibility into the construction allowance for Sheriff Road. He stated that he was aware of the construction allowance from the outset of the project and that some funds were applied to it. However, he said he lacked visibility into the full financial details of the construction allowance, which RED oversaw.

Audit and Compliance

As noted in OIG's MAR, there was a breakdown in communication and ownership of real property inventory reporting responsibilities. The director of AMGT acknowledged that information was omitted for certain FTA-required data elements, explaining that AMGT provided information only for data elements it considered its direct responsibility. As a result, data maintained by other WMATA departments was not included in the 2024 Real Property Inventory submitted to the FTA for the 2024 Triennial Review.

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[8] *RED's management of this construction allowance is discussed in greater detail in Finding 2.*

> The data elements that AMGT judged to be the responsibility of other departments, such as Accounting and the Office of Management and Budget Services, were identified and sent to the director of external assurance and compliance via memorandum. According to AMGT's project manager, the memorandum identified information sources so that the director of external assurance and compliance could obtain it and provide it to the FTA. However, this memorandum was dated February 28, 2024, the day before the real property inventory was submitted to the FTA.

In response to recommendations in OIG's MAR, WMATA noted that "[d]ata elements and management of real property, improvements, and assets are dispersed across different business units, systems of record, and compiled through business processes." This decentralized approach requires effective communication and collaboration. The examples identified above show that RED's ineffective communication led to key departments working in isolation, leading to reactive decision-making and incomplete reporting. Strengthening collaboration and establishing clearer processes for sharing information will be critical for improving WMATA's real property asset management practices.

Evaluating and Improving Asset Management Practices

GAO's final characteristic requires organizations to evaluate and improve their asset management practices. OIG's MAR identified gaps in FTA reporting requirements. WMATA has committed to implementing the necessary improvements called for in the MAR. For example, WMATA agreed to compile an inventory of all WMATA-owned real properties and to include FTA-required data elements for FTA-funded real properties. Further, WMATA has agreed to update the Manual and update the Real Estate Risk Register. By completing these actions, WMATA will build a real property inventory that meets regulatory requirements, improve real property asset management policies and procedures, and improve the visibility of identified real estate risks.

However, WMATA's real property asset management practices could be improved and strengthened beyond meeting regulatory requirements by implementing the GAO's asset management framework. Creating a Real Property Inventory with the data needed to manage real property is a crucial initial step. As the other key characteristics of the GAO's real property asset management framework are implemented, WMATA can strengthen its asset management policies so that they define asset management objectives and establish processes to achieve them. Further, WMATA can strengthen collaboration and communication between involved departments to ensure ownership and participation in real property-related decisions by the relevant stakeholders. In turn, WMATA will be able to coordinate efforts to realize value from real property assets and develop initiatives to deliver organizational objectives.

Recommendation

OIG recommends that the GM/CEO:

1. Establish and implement a real property asset management framework. Priority should be given to completing the Real Property Inventory, a crucial first step toward developing a real property asset management framework that can help WMATA manage its real property assets and resources effectively and efficiently.

   Management Response

   Management concurs with the recommendation. Reliability Engineering and Asset Management (REAM) is leading the effort to develop a WMATA-wide asset management framework. Facilities is developing a Facilities Master Plan to inventory and document real property assets, evaluate utilization, and assess alignment with Metro's operational and transit needs. As outlined in the response to the MAR, real property, as defined in FTA Circular 5010.1F, includes information maintained across multiple WMATA systems and organizational units, some of which are not directly managed by the Office of Real Estate and Development. The Office of Real Estate and Development (RED), in coordination with responsible stakeholders, will commence a Real Property Inventory which will endeavor to include all data elements required under FTA Circular 5010.1F, with the goal of completing as much of it as possible in advance of FTA's 2027 Triennial Review. A workplan and timeline for the Real Property Inventory is currently in development and it is anticipated that the inventory will be completed in stages. Management anticipates, however, that some data elements may not be available or discoverable. RED will update its manual in the near term to clarify discrepancies and incorporate references to the Real Property Inventory, Asset Management Framework, and Facilities Master Plan. Upon completion of the Framework and Master Plan, the Real Estate Manual will be updated again accordingly.

   Accountable Organization(s): Reliability Engineering & Asset Management (LEAD), Facilities, Real Estate & Development, Accounting, and Management & Budget

   The estimated completion date for the framework is: January 31, 2027

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

Finding 2: Insufficient Oversight of Real Property Assets Undermines WMATA's Desired Operational and Financial Outcomes

OIG found that WMATA's deficient real property asset management practices – that is, the lack of quality data; the absence of formal policies and plans; and the lack a collaborative organizational culture related to real property use – have negatively impacted its operational and financial outcomes. In reviewing three major recent real estate activities, OIG found examples of these ongoing issues. OIG analyzed each activity to assess RED's level of involvement and the effectiveness of current processes. OIG's review indicates that WMATA's real property asset management practices lack the necessary oversight and structure to fully achieve WMATA's operational and financial objectives.

Activity 1: L'Enfant Rail Station HVAC Equipment (Chiller) Installation

In some instances, WMATA depends on property owned by others for its operations, using easements, leases, or other agreements. For example, under the terms of an August 17, 1972, cooperative agreement with the General Services Administration (GSA), chiller plants for the L'Enfant Plaza station were placed on the roof of GSA's Regional Office Building (ROB). Before WMATA completed the station construction, GSA was supposed to grant WMATA "an appropriate document to provide for the continuing use of the area, under GSA control, in which the chiller plant and related facilities are located." However, there is no record that this documentation was ever finalized.

It was not until April 5, 2004, that WMATA and GSA entered a partnering agreement acknowledging the absence of key easement and license records across multiple sites, including ROB. Although the agreement committed both parties to resolve these gaps over a 10-year term that expired in 2014, no formal rights were documented regarding WMATA's equipment at the ROB.

During the summer of 2025, when GSA announced that the ROB was identified for expedited disposition, AMGT engaged GSA to secure a recorded easement prior to any transfer. According to AMGT, GSA initially indicated a willingness to grant such an easement. However, in September 2025, GSA changed its position, instead offering WMATA a 12-month revocable license to access and operate the chillers and related facilities.

GSA sold the building on March 25, 2026. While the new property owner currently allows WMATA access, AMGT reported that the owner's position regarding WMATA's continued use of the property is unknown. As a result, WMATA may have to relocate its chillers or use temporary chillers, both of which could incur significant costs and potential operational disruptions.

WMATA has not determined the potential costs of relocating the chillers. However, the director of mechanical engineering in FACI informed OIG that temporary chillers used during the Jackson Graham Building (JGB) replacement project cost $5,570,000 for two seasons and the total estimated project cost was $22,000,000. He also explained that any required piping system changes for the L'Enfant Plaza chiller plant could be significantly more costly than those at JGB.

OIG found this situation was caused, in part, by the *quality* of data WMATA maintained. Specifically, records for this site omitted crucial details, such as the need for an easement. Although the October 2025 Real Property Inventory included a chiller for L'Enfant Plaza, it did not indicate whether an easement was required. By not properly documenting these issues, WMATA lost the opportunity to raise organizational awareness about the need to secure formal rights to access and maintain its chiller equipment at the GSA ROB.

The director of AMGT informed OIG that he was aware of two other instances in which WMATA had installed equipment on properties owned by other entities, but he was unsure whether WMATA maintained a list of such sites. In response to OIG's inquiry, AMGT compiled a list of 20 properties that WMATA uses where conveyance has not been finalized, including the L'Enfant Plaza station chillers. However, this list includes minimal information about the status of each property, the likelihood of securing conveyance, and the potential operational and financial impacts. Additionally, there may be more properties to add to this list, as AMGT noted that "… this document will be updated as Real Estate comes across additional parcels whose conveyance was never finalized." In short, WMATA lacks reliable data on where it needs to perfect its real property interest, increasing the risk of losing access to the 20 or more such sites.

OIG reviewed AMGT's risk register as of October 2, 2025. The register does not include a risk for using properties needed for operational purposes where WMATA does not have an easement or agreement in place to ensure continued access to the property. Including this risk on the risk register could help reduce the likelihood of a situation like the one with the GSA. Further, adding this risk may prompt a thorough review of the other 19 properties on the list where conveyance was never finalized, and help identify other properties in this category that are unknown to WMATA.

According to ISO 55000, because long-lived assets span multiple changes in organizational leadership, realizing value over their life cycle requires a long-term perspective and consistent stewardship aligned with organizational objectives. By incorporating ISO's long-term perspective on asset management and increased oversight, WMATA could have avoided the current uncertainty surrounding the L'Enfant chillers.[9]

WMATA had two missed opportunities to secure an easement since 1972: first under a cooperative agreement with GSA and then through a partnering agreement. Further, WMATA had the ability to pursue an easement outside the scope of these two agreements. As a result, WMATA is at heightened risk of facing significant costs to meet its operational needs.

Activity 2: 6304 Sheriff Road Maintenance Facility Lease

In 2023, WMATA planned a build out of leased space at 6304 Sheriff Road for a joint ELES and CMNT maintenance facility. As part of the lease, the landlord provided a construction allowance of $678,547.50 that WMATA could use to offset some of their construction costs. To receive this allowance, WMATA had to submit invoices for completed work by a deadline of August 1, 2024. AMGT was responsible for tracking application of invoices to the construction allowance.

OIG found that AMGT did not properly monitor and track the application of invoices and, as a result, missed the August 1 construction allowance deadline. Consequently, WMATA forfeited $355,868.30 from the $678,547.50 construction allowance. Once the deadline had passed, AMGT negotiated the reinstatement of $177,878.15 with the landlord, although the landlord had no legal obligation to do so. This could have been avoided had AMGT properly tracked and applied invoices for completed work before the August 1, 2024, deadline, as those invoices already exceeded the initial construction allowance. Ultimately, WMATA lost $177,990.15 of the allowance.[10]

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[9] *There are 19 other known properties where WMATA never finalized conveyance. Eight of these properties were subject to the Cooperative and Partnering Agreement as the chillers on the roof of the GSA ROB.*

[10] *This permanent loss of $177,990.15 represents a questioned cost because WMATA did not track the allowance balance, monitor required deadlines, or ensure timely use of funds in accordance with the lease.*

A program manager from AMGT stated that the responsible former AMGT employee was not tracking the payments she made to the contractor or those made by the landlord. AMGT did not have the invoices on file and had to request them from the contractor to respond to OIG's request. The program manager could not explain why certain payments were applied to the construction allowance and others were not.

The project manager from CMNT likewise lacked visibility into how the offsets should be applied to the construction allowance. He first learned in January 2025 during a phone call with AMGT that there was an August 1, 2024, deadline to use the construction allowance and that it had passed. The project manager from ELES expressed similar concerns about his visibility into the construction allowance. Although he was aware of the construction allowance and that some funds had been applied, he did not have insight into how payments were applied because AMGT oversaw the process.

Separately, WMATA overpaid the contractor by $164,821.64, which was placed in escrow and later returned.[11] The payments by RED exceeded the amount of the contractor's payment applications and invoices. AMGT's program manager could not explain why this overpayment happened because the employee responsible is no longer with WMATA. OIG found that the absence of documentation and proper tracking contributed to both the allowance forfeiture and the overpayment.

As with Activity 1, OIG found that the lack of quality data undermined WMATA's ability to maximize real property asset value and avoid risking the loss of construction allowance funds. This maintenance facility was included in RED's October 2025 Real Property Inventory and the Real Property Inventory submitted to FTA for the 2024 Triennial Review. However, neither inventory included the data points needed to manage the construction allowance under the lease to ensure that it was fully utilized before it expired. The initial allowance amount, payments applied, remaining allowance, and usage deadlines were not tracked or monitored. The lack of basic data elements in the Real Property Inventory limited WMATA's ability to monitor the lease obligations and ensure full utilization of available financial benefits. As a result, WMATA forfeited $355,868.30 of the construction allowance, later reduced to $177,990.15 through negotiations.

[11] *Although refunded, this $164,821.64 overpayment is also a questioned cost because it was unsupported, unreasonable, and not aligned with the contractor's documented invoices.*

Activity 3: 8100 Professional Place Office Space Lease

On June 15, 2022, the Acting Executive Vice President of the Office of Capital Delivery asked AMGT to consider renewing, combining, or executing a long-term lease at 8100 Professional Place. This request identified a need to accommodate employee and consultant headcount to implement CIPs throughout the MetroRail and MetroBus systems, including revenue and non-revenue facilities. The request stated that the Maryland Headquarters (MD-HQ)[12] and Virginia Headquarters (VA-HQ)[13] locations could not accommodate expanded employee and consultant staff with workstations, nor could either accommodate the parking needs for their Non-Revenue Fleet (NRF) and employee/consultant personal vehicles. The requested amount of space was for approximately 13,800-14,000 usable square feet for a term of 10 years starting on July 1, 2022.

On December 20, 2022, RED received a second request from the same management official to add a vacant 3,330-square-foot office suite on the second floor of 8100 Professional Place. Again, the request stated the MD-HQ and VA-HQ locations could not accommodate the additional space needs for workstations and parking.

Although both requests and the routing slip prepared by RED indicate that MD-HQ and VA-HQ lacked sufficient space, there was no documentation showing the status of alternative space within WMATA's real property portfolio. The director of AMGT explained that FACI determined that alternative space was not available. However, a management official from FACI recalled that space was available in the three administrative office buildings WMATA owns, but the team that moved into the leased space wanted to be co-located. As with AMGT, FACI could not provide additional information or documentation regarding the status of alternative space within WMATA's real property portfolio.

The leased office space at 8100 Professional Place appears on RED's October 2025 Real Property Inventory. However, the information included is limited to an address, suite numbers, and a general description that this is an administrative office lease. Without supporting documentation, WMATA could not determine whether it had space available in its real property portfolio to meet the requesting office's needs. Additional oversight and controls, such as data points within the Real Property Inventory to document occupancy status, could enhance the utilization of WMATA's real property portfolio.

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[12] *The New Carrollton building in Maryland.*

[13] *The Eisenhower Building in Virginia.*

Contemporaneous knowledge of space availability across the real property portfolio and of lease requests could help WMATA maximize use of its real property and minimize leasing expenses for alternative spaces.

OIG's review of these real property asset management activities demonstrates that WMATA's asset management practices lack the necessary oversight and structure to fully support WMATA's operational and financial objectives. Although all three properties were included in WMATA's October 2025 Real Property inventory, all three have missing data needed to effectively manage them. Likewise, in each instance, ineffective communication and a lack of collaborative organizational culture related to real property use impacted effective management. As a result, inadequate real property asset management practices prevented WMATA from achieving optimal operational and financial outcomes.

Recommendations

OIG recommends that the GM/CEO:

2. <u>Determine whether the new owner of the former GSA Regional Office Building will formalize with WMATA an easement that allows for the continued use of the property and develop an action plan based upon the outcome.</u>

   Management Response

   Management concurs with the recommendation. RED met with the current owner of the former GSA ROB and learned the owner does not have plans for the building at the present time. Accordingly, WMATA continues to access and maintain the L'Enfant Plaza chiller equipment in the building in the same manner as before the sale.

   RED, Facilities/Mechanical Engineering, and Operations met with the developer, toured the building together, and conducted a lessons learned meeting to inform the development of contingency plans. Management will document our contingency options, including relocation, if any, of the equipment as part of the building's future development plans. With this contingency planning, WMATA will understand its go-forward options, including executing a document with the new owner that clarifies WMATA's easement rights.

   <u>Accountable Organization(s):</u> Real Estate & Development, Facilities, and Operations

The estimated completion date for the contingency plan, subject to the new owner's future development plans, is: December 31, 2027

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

3. Identify all rail stations and other infrastructure that is dependent upon the continued use of property WMATA does not own. Once identified, WMATA should create an action plan to secure easements for any properties that do not have the appropriate easements or legal standing for WMATA's continued use.

Management Response

Management concurs with the recommendation. Concurrent to the development of the asset management framework, RED will conduct a comprehensive review of system maps, deeds, easements and other rights for occupancy and prepare a database to highlight locations/areas where WMATA does not have documentation. This database will build upon existing inventories and known conveyance issues and will include validation with Infrastructure - Facilities and other affected departments. RED will develop and maintain an action plan informed by the likelihood of securing permanent property rights. Progress will be periodically reported to executive management and incorporated into ongoing real estate risk management activities. Many of these gaps have existed since the construction of the Metro System.

Accountable Organization(s): Real Estate & Development (LEAD), Facilities, and Office of Track and Structures

The estimated completion date for the complete review of properties owned by WMATA and the action plan is: June 30, 2029

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

4. Add a risk to the Real Estate Risk Register that using properties owned by other entities carries operational and financial risk if there are no easements or written agreements that provide for WMATA's continuing use of the property.

Management Response

Management concurs with the recommendation. Consistent with CAP-38052, RED will coordinate with Audit & Compliance to assess and document the risks associated with WMATA's use of third-party property interests when easements, licenses, leases, or other legal agreements are incomplete or may not adequately protect WMATA's continued use. Management will add a new entry to the Real Estate Risk Register and assess inherent risk, existing controls, residual risk, risk ownership, monitoring requirements, and planned mitigation activities in accordance with WMATA's Enterprise Risk Management methodology. RED will incorporate the risk into periodic risk assessments and update it as additional properties are identified or remediation efforts advance.

Accountable Organization(s): Real Estate & Development

The estimated completion date for adding a new entry and revising an existing entry in the Real Estate Risk Register is: September 30, 2026

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

5. Establish and document controls to ensure that payments are properly applied to construction allowances, construction allowance balances are monitored against usage deadlines to prevent forfeiture, and contract payments are accurate.

Management Response

Management concurs with the recommendation. These roles and responsibilities will be addressed in the updated Real Estate Manual. In the future when RED is overseeing the administrative responsibilities for the buildout of improvements as part of lease facility, the internal control structure will define responsibilities for tracking allowance balances, documenting invoice submissions, monitoring contractual deadlines, validating payment applications, and reconciling balances maintained by WMATA and external parties. The controls and related monitoring activities will be integrated into the oversight process to ensure consistent execution, accountability, and periodic management review.

Accountable Organization(s): Real Estate & Development (LEAD), Management & Budget, and Facilities

The estimated completion date for the updated Real Estate Manual is: January 31, 2027

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

6. Add occupancy status data to the Real Property Inventory and establish and implement a control requiring that a comprehensive search of space available within WMATA's real property portfolio be conducted and the results documented and certified before future lease agreements are executed.

Management Response

Management concurs with the recommendation. As part of the Facilities Master Plan, Facilities will provide a snapshot of occupancy status, utilization information, vacancy status, and other portfolio management data necessary to support informed real estate decision-making. Management will establish data standards, ownership responsibilities, validation procedures, and periodic monitoring requirements to ensure inventory information remains accurate, complete, and reliable.

To provide additional context, Management notes that a monthly Facilities Working Group with participation from RED, Facilities, Capital Planning, and others reviews all requests for space and modifications to existing space. RED and Capital Program Management also meet every other week to review projects.

Accountable Organization(s): Facilities (LEAD), Real Estate & Development, and Capital Program Management

The estimated completion date for the occupancy snapshot is: June 30, 2028

OIG Comment

OIG considers management's comments to be responsive to the recommendation and the corrective actions taken should resolve the issue identified in the report. OIG will follow up on planned actions during the corrective action phase.

Scope

The scope of the evaluation was to assess WMATA's real property asset management program as of October 1, 2025,[14] the Manual; and applicable FTA reporting requirements for properties acquired with federal funds, including FTA Circulars 5010.1E and 5010.1F.

Methodology

To achieve the evaluation objective, OIG:

- Conducted interviews with management officials responsible for RED, AMGT, facilities, funds and grants, accounting, REAM, and TAM.
- Reviewed documentation provided by management officials, including but not limited to the Manual, Real Property Inventory report submitted in response to the Recipient Information Request for FTA's 2024 Triennial Review, and the Real Property Inventory as of October 2025.
- Reviewed WMATA's Asset Register as of September 30, 2025, WMATA's Annual Comprehensive Financial Report for the fiscal years ended June 30, 2025, and 2024, and WMATA's TAM Plan for October 2022-2026.
- Evaluated the Real Property Inventory as of October 2025 against the Asset Register as of September 30, 2025, and the Asset Inventory detailed in Appendix E of the TAM Plan for October 2022-2026.
- Evaluated WMATA's Real Property Inventory submitted to FTA against selected requirements of FTA Circular 5010.1E and the Real Property Inventory report as of October 2025 against selected requirements of FTA Circular 5010.1F.
- Reviewed ISO Standards 55000, 55001, and 55002 and assessed WMATA's real property asset management practices against a real property asset management framework derived by GAO from these standards.
- Reviewed a judgmentally selected sample of real property activities.

[14] WMATA engages in joint development activities. Joint development activities were not included in the scope of this evaluation.

Principles and Standards for Offices of Inspector General (Green Book) Statement
The evaluation was conducted in accordance with the Principles and Standards for Offices of Inspector General, dated July 2024, approved by the Association of Inspectors General.

metro

Washington Metropolitan
Area Transit Authority

OIG Evaluation of WMATA's
Real Property Asset
Management
Management Response

Memorandum

Subject: OIG Evaluation of WMATA's Real Property Asset Management **Date:** 09.11.2026

From: Executive Vice President and Chief Strategy, Planning and Performance Officer, Thomas J. Webster
Executive Vice President and Chief Infrastructure Officer, Theresa Impastato
Executive Vice President and Chief Financial Officer, David Rickard
To: Inspector General, Michelle Zamarin
CC: GM & CEO – Randy Clarke, SVP & CRAO – Elizabeth Sullivan, Senior Executive Team

WMATA reviewed the Office of Inspector General's (OIG) August 3, 2026, Evaluation of WMATA Real Property Asset Management (OIG 27-02). WMATA will implement the recommended changes to the Real Property Inventory, revise the Real Estate Manual, and update the risk descriptions, risk assessments, and mitigating controls documented in the risk register with input from relevant stakeholders.

Finding 1: WMATA Has Not Established a Real Property Asset Management Framework

Recommendation:

1. Establish and implement a real property asset management framework. Priority should be given to completing the Real Property Inventory, a crucial first step toward developing a real property asset management framework that can help WMATA manage its real property assets and resources effectively and efficiently.

   Response: Management concurs with the recommendation. Reliability Engineering and Asset Management (REAM) is leading the effort to develop a WMATA-wide asset management framework. Facilities is developing a Facilities Master Plan to inventory and document real property assets, evaluate utilization, and assess alignment with Metro's operational and transit needs. As outlined in the response to the MAR, real property, as defined in FTA Circular 5010.1F, includes information maintained across multiple WMATA systems and organizational units, some of which are not directly managed by the Office of Real Estate and Development. The Office of Real Estate and Development (RED), in coordination with responsible stakeholders, will commence a Real Property Inventory which will endeavor to include all data elements required under FTA Circular 5010.1F, with the goal of completing as much of it as possible in advance of FTA's 2027 Triennial Review. A workplan and timeline for the Real Property Inventory is currently in development and it is anticipated that the inventory will be completed in stages. Management anticipates, however, that some data elements may not be available or discoverable. RED will update its manual in the near term to clarify discrepancies and incorporate references to the Real Property Inventory, Asset Management Framework, and Facilities Master Plan. Upon completion of the Framework and Master Plan, the Real Estate Manual will be updated again accordingly.

   Accountable Organization(s): Reliability Engineering & Asset Management (LEAD), Facilities, Real Estate & Development, Accounting, and Management & Budget

   The estimated completion date for the framework is: January 31, 2027

Finding 2: Insufficient Oversight Undermines Operational and Financial Outcomes

Recommendations:

2. Determine whether the new owner of the former GSA Regional Office Building will formalize with WMATA an easement that allows for the continued use of the property and develop an action plan based upon the outcome.

   Response: Management concurs with the recommendation. RED met with the current owner of the former GSA ROB and learned the owner does not have plans for the building at the present time. Accordingly, WMATA continues to access and maintain the L'Enfant Plaza chiller equipment in the building in the same manner as before the sale.

RED, Facilities/Mechanical Engineering, and Operations met with the developer, toured the building together, and conducted a lessons learned meeting to inform the development of contingency plans. Management will document our contingency options, including relocation, if any, of the equipment as part of the building's future development plans. With this contingency planning, WMATA will understand its go-forward options, including executing a document with the new owner that clarifies WMATA's easement rights.

Accountable Organization(s): Real Estate & Development, Facilities, and Operations

The estimated completion date for the contingency plan, subject to new owner's future development plans, is: December 31, 2027

3. Identify all rail stations and other infrastructure that are dependent upon the continued use of property WMATA does not own. Once identified, WMATA should create an action plan to secure easements for any properties that do not have the appropriate easements or legal standing for WMATA's continued use.

   Response: Management concurs with the recommendation. Concurrent to the development of the asset management framework, RED will conduct a comprehensive review of system maps, deeds, easements and other rights for occupancy and prepare a database to highlight locations/areas where WMATA does not have documentation. This database will build upon existing inventories and known conveyance issues and will include validation with Infrastructure - Facilities and other affected departments. RED will develop and maintain an action plan informed by the likelihood of securing permanent property rights. Progress will be periodically reported to executive management and incorporated into ongoing real estate risk management activities. Many of these gaps have existed since the construction of the Metro System.

   Accountable Organization(s): Real Estate & Development (LEAD), Facilities, and Office of Track and Structures

   The estimated completion date for the complete review of properties owned by WMATA and the action plan is: June 30, 2029

4. Add a risk to the Real Estate Risk Register that using properties owned by other entities carries operational and financial risk if there are no easements or written agreements that provide for WMATA's continuing use of the property. Add a risk to the Real Estate Risk Register regarding use of properties owned by other entities without easements or agreements.

   Response: Management concurs with the recommendation. Consistent with CAP-38052, RED will coordinate with Audit & Compliance to assess and document the risks associated with WMATA's use of third-party property interests when easements, licenses, leases, or other legal agreements are incomplete or may not adequately protect WMATA's continued use. Management will add a new entry to the Real Estate Risk Register and assess inherent risk, existing controls, residual risk, risk ownership, monitoring requirements, and planned mitigation activities in accordance with WMATA's Enterprise Risk Management methodology. RED will incorporate the risk into periodic risk assessments and update it as additional properties are identified or remediation efforts advance.

   Accountable Organization(s): Real Estate & Development

   The estimated completion date for adding a new entry and revising an existing entry in the Real Estate Risk Register is: September 30, 2026

5. Establish and document controls to ensure that payments are properly applied to construction allowances, construction allowance balances are monitored against usage deadlines to prevent forfeiture, and contract payments are accurate.

   Response: Management concurs with the recommendation. These roles and responsibilities will be addressed in the updated Real Estate Manual. In the future when RED is overseeing the administrative responsibilities for the buildout of improvements as part of lease facility, the internal control structure will define responsibilities for tracking allowance balances, documenting invoice submissions, monitoring contractual deadlines, validating payment applications, and reconciling balances maintained by WMATA and external parties. The controls and related monitoring activities will be integrated into the oversight process to ensure consistent execution, accountability, and periodic management review.

Accountable Organization(s): Real Estate & Development (LEAD), Management & Budget, and Facilities

The estimated completion date for the updated Real Estate Manual is: January 31, 2027

6. Add occupancy status data to the Real Property Inventory and establish and implement a control requiring that a comprehensive search of space available within WMATA's real property portfolio be conducted and the results documented and certified before future lease agreements are executed.

Response: Management concurs with the recommendation. As part of the Facilities Master Plan, Facilities will provide a snapshot of occupancy status, utilization information, vacancy status, and other portfolio management data necessary to support informed real estate decision-making. Management will establish data standards, ownership responsibilities, validation procedures, and periodic monitoring requirements to ensure inventory information remains accurate, complete, and reliable.

To provide additional context, Management notes that a monthly Facilities Working Group with participation from RED, Facilities, Capital Planning, and others reviews all requests for space and modifications to existing space. RED and Capital Program Management also meet every other week to review projects.

Accountable Organization(s): Facilities (LEAD), Real Estate & Development, and Capital Program Management

The estimated completion date for the occupancy snapshot is: June 30, 2028

To Report Fraud, Waste, or Abuse

Please Contact:

Email:	hotline@wmataoig.gov
Website:	wmataoig.gov/hotline-form/
Telephone:	1-888-234-2374
Facsimile:	1-800-867-0649
Address:	WMATA Office of Inspector General Hotline Program 500 L’Enfant Plaza SW, Suite 800 Washington, DC 20024