

**PRESENTED AND ADOPTED: October 10, 2013**

**RATIFIED: October 24, 2013**

**SUBJECT: RETRACTION OF CONTRACT AUDIT REPORT NO. 13-001, "REVIEW OF nMOMENTUM CORPORATION CONTRACTS AND TASK ORDERS"**

**2013-23**

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Office of Inspector General issued Contract Audit No. 13-001, "Review of nMomentum Corporation Contracts and Task Order," on July 26, 2013 ("Audit Report"); and

WHEREAS, The Audit Report contained unfortunate wording that should have said that the Washington Metropolitan Area Transit Authority's (WMATA) internal processes failed in not adequately documenting the procurement file; and

WHEREAS, The Audit Report should have emphasized that nMomentum Corporation submitted invoices at rates that were agreed upon in the nMomentum contract after completing work for WMATA in a satisfactory manner, and that nMomentum cooperated with the audit; and

WHEREAS, The Audit Report's unfortunate wording created circumstances critically requiring the Board of Directors' consideration and action on an issue that could not reasonably have been foreseen; and

WHEREAS, The Board of Directors met in Emergency Session on October 10, 2013, to discuss the unforeseen circumstances and appropriate action regarding the unfortunate wording; and

WHEREAS, At the Emergency Session, the Board of Directors authorized the Board Chair to issue a memorandum on behalf of the Board regarding the unfortunate wording; and

WHEREAS, Pursuant to the Board's Bylaws, those Emergency Session actions must be ratified at the next available open Board of Directors meeting; now, therefore be it

*RESOLVED*, That the Board of Directors authorizes the Board Chair to issue the memorandum in Attachment A to this Resolution; and be it further

**RATIFICATION:**

**Motioned by Ms. Bowser, seconded by Mr. Acosta**

**Ayes: 8 – Mr. Downs, Mr. Downey, Mr. Nichols, Mrs. Hudgins, Mr. Dyke, Ms. Bowser, Mr. Acosta, Mr. Goldman**

**Motioned by Mr. Bellamy, seconded by Mrs. Hudgins**

**Ayes: 7 - Mr. Downs, Mr. Downey, Mrs. Hudgins, Mr. Dyke, Mr. Bellamy, Mr. Giancola and Mr. Goldman**

*RESOLVED*, That the Board Secretary is directed to remove the Audit Report from the WMATA website; and be it further

*RESOLVED*, That the Board Secretary is directed to ensure that the memorandum in Attachment A to this Resolution be posted in place of the Audit Report for two years from the date of this Resolution; and be it further

*RESOLVED*, That the Inspector General is directed not to further disseminate the Audit Report; and be it further


*RESOLVED*, That the Inspector General is directed that if the Office of Inspector General issues a new report on the same subject, to provide nMomentum Corporation a copy of the report sufficiently in advance of its publication, to allow opportunity to review and comment; and be it further

*RESOLVED*, That the General Counsel is directed to execute a settlement and release agreement consistent with the foregoing terms, to be binding upon nMomentum Corporation and its principals; and be it further

*RESOLVED*, That the Board Secretary is authorized to make any technical or typographic corrections to this Resolution, as needed, provided there is no substantive alteration; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Kathryn H.S. Pett  
General Counsel


WMATA File No.:  
13.3.2 IG Audit Reports

# M E M O R A N D U M



SUBJECT: nMomentum

DATE: October 10, 2013

FROM:   
Tom Downs, Chair  
Board of Directors

The statements made in the July 26, 2013 Review of nMomentum Corporation Contracts and Task Order (Audit Report) prepared and published by the WMATA Office of Inspector General are hereby retracted and the report has been withdrawn from the WMATA website. The Audit Report contained unfortunate wording which should have said that WMATA's internal processes failed in not adequately documenting the procurement file. WMATA wishes to emphasize that nMomentum Corporation (nMC) submitted invoices at rates which were agreed upon in the nMC contract after completing work for WMATA in a satisfactory manner and cooperated with the audit. We regret that statements made in the Audit Report may have been interpreted in a manner which was unfavorable to nMomentum or its principals.

**Washington  
Metropolitan Area  
Transit Authority**

Attachment A