

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202334

Resolution:
☐ Yes ☒ No

TITLE:

Acceptance of OIG's Reports

PRESENTATION SUMMARY:

~Special Project Report - Review of MTPD Promotion Policy and Practices: OIG reviewed promotions to the rank of captain between 2017 and 2020. OIG found MTPD made noncompetitive appointments which were inconsistent with its General Order (GO) regarding promotional practices and WMATA's Policy Instruction (P/I) 7.2.2/1.2

~Audit of WMATA's Controls and Accountability of Fuel for Non-Revenue Vehicles

PURPOSE:

The Executive Committee's acceptance of OIG's report entitled:
Special Project Report - Review of MTPD Promotion Policy and Practices

The Executive Committee's acceptance of OIG's report entitled:
Audit of WMATA's Controls and Accountability of Fuel for Non-Revenue Vehicles

DESCRIPTION:

N/A

Key Highlights:

Special Project Report - Review of MTPD Promotion Policy and Practices

In October 2020, OEEO recommended MTPD take certain corrective actions to improve its promotional practices; however, MTPD has not yet taken corrective actions as recommended by OEEO.

MTPD's General Order on promotions has not been updated since November 2011, despite a revision scheduled in November 2012.

OIG reviewed all promotions/appointments (10) to the rank of captain between 2017 and 2020, as well as relevant acting assignments and their applicable WMATA and MTPD policies.

MTPD made seven (7) noncompetitive appointments which were inconsistent with its General Order 241 and WMATA's Hiring and Recruitment P/I 7.2.2/1.

Promotions did not include the required review process by OEEQ, CHCO, or GM/CEO.

MTPD did not communicate promotional advancement opportunities to all eligible employees.

Audit of WMATA's Controls and Accountability of Fuel for Non-Revenue Vehicles

Situation: WMATA has not fully implemented a non-revenue vehicles (NRV) Fuel Program. Specifically, improvements are needed in controls over:

- fuel acquisition, delivery, and consumption,
- segregating duties for fuel delivery,
- physical security at facilities and fuel pumps, and
- excessive vehicle idling during work hours.

These conditions occurred because WMATA did not have:

- a comprehensive program for the acquisition, delivery, and consumption of fuel, and
- adequate physical security controls.

Impact: Without a fully implemented Fuel Program, WMATA increases the opportunity for theft and loss of fuel without detection. OIG tests showed there were over 1.17 million gallons of unaccounted fuel transactions valued at over \$2 million over 3 years. For example, over:

- 1.1 million gallons of fuel were pumped using miscellaneous gas can codes ("9990" and "9996"). Current employee IDs or valid vehicle numbers were not always entered at the fuel pumps; thus, OIG could not validate these transactions as legitimate.
- 33,000 gallons of fuel were excessively pumped by 4 employees.
- 4,500 gallons of fuel were pumped using 211 separated employee's identification numbers as ID validation codes to pump fuel.

Further, OIG observed significant process gaps and an overall inadequate control environment to prevent or detect fraud. Lastly, these control deficiencies resulted in excessive vehicle idling time that wasted fuel valued at over \$187,000, as well as negatively impacting the environment.

Management Solution: Management fully agreed with seven and partially agreed with four of the findings and all of the recommendations, in principle, to improve the NRV Fuel Program. Management has acted on four

recommendations to include conducting a cost-benefit analysis to be completed by March 31, 2022. Once the cost-benefit analysis is complete, Management will provide completion dates for the remaining recommendations.

Background and History:

Special Project Report - Review of MTPD Promotion Policy and Practices

The Human Capital office has carefully reviewed the OIG Special Project Report - A Review of MTPD Promotion Policy and Practices. Both MTPD and Human Capital agree with five (5) of the six (6) recommendations contained within the OIG's report. And, partially agree with the finding regarding updating General Order 241 based upon the timing and process for updating.

MTPD agrees that its promotion process could be clarified and will update General Order 241 by July 1, 2022, to reflect current promotional practices more clearly. This revision will include the minimum criteria that is required for officers to participate in the promotional process to ensure that acting positions and noncompetitive promotions fully comply with established promotion processes.

Audit of WMATA's Controls and Accountability of Fuel for Non-Revenue Vehicles

WMATA spent over \$17 million on diesel fuel and almost \$8 million on unleaded fuel in Fiscal Year (FY) 2019. A total of \$66.5 million was spent on fuel from FY 2017 through FY 2019. Fuel is a liquid asset at risk of fraud and abuse.

Discussion:

WMATA agrees or partially agrees with OIG's recommendations and will take the necessary corrective actions.

FUNDING IMPACT:

There is no impact on funding.

TIMELINE:

Anticipated actions after presentation: Executive Committee's acceptance of these reports.

RECOMMENDATION:

Executive Committee accepts OIG's reports.

Acceptance of the final reports constitutes the Board's authorization to post the reports on the WMATA OIG website provided the Inspector General has conferred with the General Counsel and confirmed that any private or confidential information has been redacted in accordance with applicable law and WMATA policy.