

February 28, 2006  
AUD 06-101

## An Internal Audit Report by the Office of Auditor General On

### • A Review of The Administration of Overtime Hours and Costs in WMATA's Departments of Operations and Metro Transit Police

We reviewed the administration of overtime hours and overtime pay in WMATA's Departments of Operations (hourly wage earners) and the Metro Transit Police (salaried police officers) for calendar year 2004. WMATA's policies and procedures regarding the overtime hours worked in OPER and in MTPD are governed by respective union labor agreements. OPER employs 6,634 workers as hourly wage earners and MTPD employs 487 employees as police officers.

In fiscal year 2005, 1,738,986 (13%) overtime hours were worked in OPER with \$63,289,801 (18%) paid in overtime wages. In fiscal year 2004, 1,481,126 (11%) overtime hours were worked in OPER with \$52,292,776 (16%) paid in overtime wages.

We found that the policies and procedures governing the documentation, collection and reporting of data on overtime hours was generally sufficient. However, due to the emphasis placed on ensuring that services are provided, management (at all levels) has not focused sufficient attention on the nature and analysis of overtime hours. Staff vacancies, absenteeism and special events were significant factors in the assignment of overtime hours.

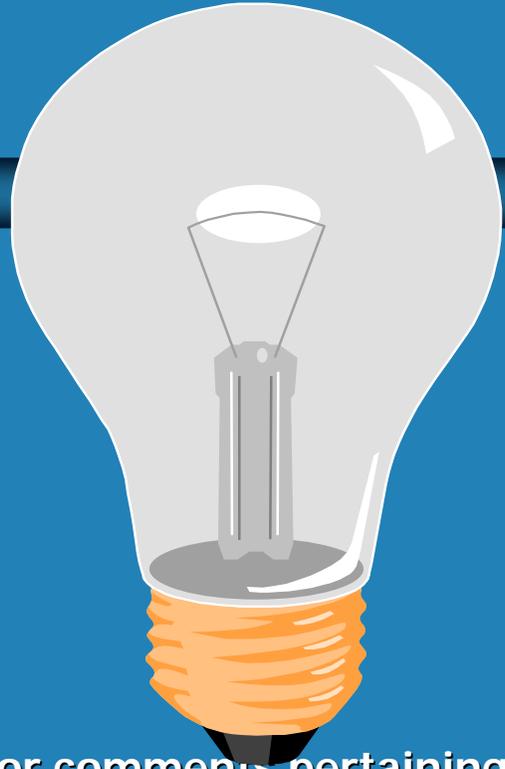
We identified the following areas where the management of overtime hours can be improved. These are:

- Possible revision to certain provisions within the labor agreements that might contribute to the assignment of overtime hours.
- Improved management oversight (at all levels) of assigned overtime hours
- More efficient utilization of budget analysts and attendance personnel in understanding the nature of overtime hours
- Improved reporting of scheduled overtime hours for "Operators" in Bus and RAIL
- Insure that the established management policies on overtime hours and regular hours are adhered to.

We made 23 recommendations for improvement that should be considered for implementation.

# Internal Audit Report No. AUD 06-101

## Questions



- If you have any questions or comments pertaining to this Internal Audit Report , please contact:
- James C Stewart
- 962-1008

**AUDITOR GENERAL  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

**Review of  
The Administration of Overtime Hours and Costs in  
WMATA's Department of Operations and  
Metro Transit Police Department**

**February 28, 2006**

**OPER – James Hughes  
MTPD - Polly Hanson**

We have completed our review of overtime hours worked in WMATA's Department of Operations (OPER) and the Metro Transit Police Department (MTPD) for calendar year 2004. Our review consisted of an analysis of OPER's payroll electronic data files, an examination of employees' time and attendance records and interviews and inquiries with senior-level managers, superintendents, directors and managers and supervisors pertaining to the overtime hours worked during calendar year 2004. The policies and procedures that govern the overtime hours worked by the hourly wage employees in OPER are outlined in the following labor union agreements: Local Union 689 of the "Amalgamated Transit Union AFL-CIO," and Local 922 of the "International Brotherhood of Teamsters." The policies and procedures governing the overtime hours worked by the Metro Transit Police and the Metro Special Police are outlined in the labor union agreements with Local 246 of the "International Brotherhood of Teamsters, AFL-CIO" and Local 246 of the "International Brotherhood of Teamsters' Law Enforcement Division."

The Department of Operations is responsible for the day-to-day operations of WMATA's Metrobus and Metrorail services and the related supporting services of Plant Maintenance (PLNT), Elevators and Escalators (ELES), and programs that support the Americans with Disability Act. The department consists of 15 offices with approximately 8,254 employees, 6,634 of which are compensated under WMATA's hourly wage system. See Appendix C for a summary of YTD hours and wages in OPER by office. WMATA's Deputy General Manager for Operations (DGM) was responsible for the daily oversight of all management functions and the efficient utilization of the department's resources during 2004. The MTPD is responsible for providing daily security duties and law enforcement services for WMATA's entire bus and rail system and its facilities. The MTPD has approximately 510 employees, 487 of which are assigned to duties as Transit Police Officers or Special Police Officers. The MTPD is headed by a Chief of Police who is responsible for the daily oversight of all management functions and the efficient utilization of the department's resources.

The purpose of our review was to address issues over the efficient management of the overtime hours. Several employees in OPER and MTPD consistently worked a substantial number of regular and overtime hours daily, weekly or for more extended periods of time. There were thirty-five (35) workers in OPER (See Appendix A) and twenty workers (20) in MTPD (See Appendix B) who earned \$110,000 or more in gross pay including overtime during calendar year 2004. We conducted fieldwork in the MTPD and in the following offices in OPER: BTRA, BMNT, RTRA, PLNT, CMNT and OPAS. We reviewed a sampling of payroll records of the workers, conducted interviews with management personnel at all levels and made other inquiries. We were also concerned about possible favoritism practiced by management toward some workers in the assignment and distribution of the overtime hours.

Our general opinion is that management’s priorities at all levels in OPER have been focused on accomplishing the work at hand with less attention being given to the increasing assignment and working of overtime hours. We found that the data necessary to sufficiently monitor and report on operating expenditures including overtime hours in OPER and MTPD were available. However, we are concerned that insufficient actions had been taken by OPER management to understand, control or reduce the number of overtime hours worked. Staff vacancies, employee absenteeism, special events, the expansion of revenue service hours for Metrobus and Metrorail and an increase in maintenance and repair assignments (due to the general aging of the Metrobus and Metrorail system) were all factors that impacted the assignment of overtime hours. To use vacancies and absenteeism as an example, the missed standard man days (SMD) of work effort in OPER for vacancies and absenteeism (both controllable and uncontrollable) totaled 298,342 or 2,386,736 hours. These hours represent 137% of the total overtime hours of 1,738,986 worked in OPER in fiscal year 2005. It is evident from these statistics that vacancies and absenteeism are major factors that influenced the overtime hours that were worked in OPER.

A summary of actual regular, overtime and fringe benefits hours for fiscal years 2001 through 2005 is as follows in Table I. See Table II for a summary of wages paid to the hourly wage earners in OPER.

**Department of Operations** **Table I**  
**Regular Hours, Overtime Hours and Fringe Benefits Hours**  
**Fiscal Years 2001 thru 2005**

Hours	<u>FY 2005</u>	%	<u>FY 2004</u>	%	<u>FY 2003</u>	%	<u>FY 2002</u>	%	<u>FY 2001</u>	%
Regular	12,101,775	0.87	12,164,876	0.89	12,235,092	0.89	11,872,830	0.89	11,519,505	0.87
Overtime	1,738,986	0.13	1,481,126	0.11	1,568,923	0.11	1,493,516	0.11	1,663,123	0.13
Totals	<u>13,840,761</u>	1.00	<u>13,646,002</u>	1.00	<u>13,804,015</u>	1.00	<u>13,366,346</u>	1.00	<u>13,182,628</u>	1.00
Fringe Benefits	2,267,448	0.14	2,126,041	0.13	2,166,073	0.14	2,074,547	0.13	2,099,179	0.14
Total-All Hours	<u>16,108,209</u>	1.00	<u>15,772,043</u>	1.00	<u>15,970,088</u>	1.00	<u>15,440,893</u>	1.00	<u>15,281,807</u>	1.00

We found no issues with the procedures for the assignment and distribution of overtime hours for hourly wage employees in OPER as written in the union labor agreements. However, there are certain provisions of the union labor agreements that, in the opinions of some managers and supervisors in OPER, tend to contribute to or influence the number of overtime hours that are assigned. These provisions are: 1) the “Sick Leave” provision, for employees with less than 5 years of service, 2) the inclusion of overtime pay in the computation to determine retirement benefits, and 3) the provision that allows WMATA management personnel to retain membership in the union administered retirement system. It was the opinion of management personnel who we interviewed and others who we inquired of that these provisions or policies influence workers to either take additional sick days, aggressively seek additional overtime hours to increase their retirement benefits or influence managers to express their sentiment with the workers when faced with decisions about overtime hours.

Some senior-level managers expressed concerns about the ability of some employees to continuously work 65 or more hours per week without suffering fatigue and a resulting reduction in productivity and the quality of work. However, many of the frontline managers and supervisors in OPER feel that the

quality of work or productivity level of those workers who work a substantial number of overtime hours is not affected by the so called “fatigue” factor. These frontline managers and supervisors cited the increase in bus and rail services, absenteeism and vacancies as the causes for the continued assignment of overtime hours. A few supervisors added their opinion that the lack of productivity of some workers was a factor. The supervisors expressed that in their opinion the issues of budgets and overspending were for senior-level managers. They stated that “their jobs were to ensure that maintenance and repairs are performed on the buses and trains to ensure that bus and rail services schedules are met.”

We have identified several initiatives and recommendations that managers in OPER might use or implement to help in understanding, controlling and hopefully reducing the number of overtime hours that are worked. Some of those initiatives are: Limit the overtime hours per worker, the implementation of Performance Measures, Time Standards, Workers’ Incentives, and a more active involvement on the part of the budget analysts who are responsible for the reviewing and reporting of operating expenditures for management. We encourage the managers in OPER to consider these initiatives in addition to using their experience and knowledge of the work place to gain a better understanding of the dynamics of the factors that impact overtime hours and to implement internal controls and other measures to help manage, control and reduce the number of overtime hours that are worked.

We have made 23 recommendations in the following areas to help better manage overtime expenses:

- Vacancies and Absenteeism
- Increased Management Attention
- Labor Agreement Initiatives
- Improved Internal Controls
- Improved Administration and Control of Budget Related Issues

We have reviewed and discussed the results of our audit with representatives of OPER, BUS, RAIL and MTPD.

**We reviewed the draft report with MTPD representatives and have incorporated their comments into the audit report.**

**BMNT had the following specific comments pertaining to the report and their plan of action:**

- **BMNT has assigned a staff person to work with HRMS on the filling of vacancies and has developed a formal plan to reduce their vacancies. BMNT will work with OPER and HRMS to refine the reporting processes as outlined.**
- **BMNT will work closely with its Budget Analyst to distribute and have managers to conduct a more thorough review of overtime reports.**
- **BMNT is not aware of the use of compensatory time and the loaning of vacation time. BMNT has further discontinued allowing employees to act as MIPs at any time. These policies will be reviewed with management staff.**

- BMNT concurs with the recommendations as they relate to the labor agreements initiatives.
- BMNT uses time clocks in all shops as opposed to sign-in-sheets. BMNT uses the “Detail to Gross” time and attendance system with various levels of authorizations and also uses job numbers when issued by OPER.

BTRA had the following specific comments pertaining to the report:

- The audit cited three provisions that are currently a part of the union labor contracts, 1) Sick Leave, 2) Computation for retirement benefits, and 3) Management’s participation in a union administrated retirement system.

Of the provisions noted all have to be negotiated at the negotiation table. We are in agreement with two out of the three provisions. 1) The sick leave stipulation which does not give a junior employee of less than 5 years the ability to get paid their sick leave on the first day of absence. This benefit is triggered on the third day of absence. There is no incentive for the employee to return to work sooner than later. 2) The computation of the retirement benefits averaged by their last four years of service is a stipulation that encourages an employee reaching their sunset to work overtime to increase their wage benefit for retirement. 3) The last provision where management is able to retain their retirement benefit administered by the union makes managers have more allegiance to the workers is a harder connection to make to the effect of overtime hours being worked. Most managers do not have the luxury of earning overtime that would directly affect their retirement benefits.

The audit also mentioned the increase in service, absenteeism, and vacancies as a continuing trend that perpetuates the overtime. We are in agreement with that assumption.

**RAIL had the following specific comments pertaining to the report:**

- **We agree that management needs to proactively engage in the management of overtime hours.**
- **Reasons for excessive amounts of overtime:**
  - **Vacancies**
  - **The Extra Board process needs to be updated to better meet the needs of RTRA**
  - **Positions assigned to employees on extended leave are not allowed to be filled**
  - **Lack of a sufficient number of Operators in RAIL. 3% of the overtime budget in RAIL could be used to hire additional Station Managers, Train Operators and Interlockers**

James C. Stewart  
Auditor General

cc: GM - Dan Tangherlini                      BUSV - Jack Requa  
RAIL - Steven Feil                              PLNT - Paul Gillum  
WFDA - William Scott  
CFO - H. Charles Woodruff, II              LABR - Richard Froelke  
CHOS - Emeka Moneme                      SECT - Harold Bartlett

Review performed by Robert McClinton

## BACKGROUND

We have completed our review of the overtime hours worked by employees in WMATA's Department of Operations (OPER) and the Metro Transit Police Department (MTPD) during calendar year 2004. The policies and procedures governing the overtime hours worked by the hourly wage employees in OPER are outlined in the agreements between WMATA and the following employees' unions: Local Union 689 of the "Amalgamated Transit Union AFL-CIO," effective May 1, 2001 to April 30, 2004 and Local 922 of the "International Brotherhood of Teamsters," effective November 1, 2001 to October 31, 2004. WMATA and the labor unions representatives continue to operate under the policies of the current labor agreements although the effective dates of the agreements have expired. Negotiations for the renewal of the two labor agreements are ongoing.

The Department of Operations is responsible for the day-to-day operations of WMATA's Metrobus and Metrorail services and the related supporting services of Plant Maintenance (PLNT), Elevators and Escalators (ELES), and programs that support the Americans with Disability Act. The department consists of 15 offices with approximately 8,254 employees, 6,634 of which are compensated under WMATA's hourly wage system. WMATA's Deputy General Manager for Operations (DGM) was responsible for the daily oversight of all management functions and the efficient utilization of the department's resources during 2004.

The policies and procedures governing the overtime hours worked by the Metro Transit Police Officers and the Metro Special Police Officers are outlined in two labor agreements between WMATA and the following unions: Local 246 of the "International Brotherhood of Teamsters, AFL-CIO" (Metro Transit Police), effective October 1, 1998 to September 30, 2004 and Local 639 of the "International Brotherhood of Teamsters' Law Enforcement Division" (Metro Special Police), effective October 1, 2003 to September 30, 2007. Since the start of this audit, Local 246 of the "International Brotherhood of Teamsters, AFL-CIO" was decertified as a union. The Metro Transit Police are now represented by the "Fraternal Order of Police of Metro Transit Police Committee, Inc. (FOP)." The FOP was certified by WMATA on December 8, 2004, as the exclusive union representing the Metro Transit Police. A new labor agreement between the FOB and WMATA (representing the Metro Transit Police) is effective from January 1, 2005 through December 31, 2007.

The MTPD is responsible for providing daily security duties and law enforcement services for WMATA's entire bus and rail system and its facilities. The MTPD has approximately 510 employees, 487 of which are assigned to duties as Transit Police Officers or Special Police Officers in the MTPD's Field Operations, Field Services, or Protective Services Units. The police officers are compensated bi-weekly under WMATA's salaried payroll system. The MTPD is headed by a Chief of Police who is responsible for the daily oversight of all management functions and the efficient utilization of the department's resources.

The purpose of our review of overtime hours was to evaluate issues involving the assignment, efficiency and effectiveness of overtime hours. We had concerns over how some employees in OPER significantly increased their annual gross pay, 50%-100% in some cases, by working a considerable number of overtime hours. We note that MTPD officers (specialized units such as crime scene technicians, canine handlers, explosive ordinance experts and recruiters) had pay, including overtime, in excess of \$100,000. We also note that several of the employees in OPER and MTPD consistently worked a substantial number of regular and overtime hours daily, weekly and for more extended periods of time. We were also concerned over the effects of fatigue on the employees' quality of work

and on their ability to meet the safety standards that apply in the work place and to the general public. We were concerned about possible favoritism practiced by the frontline managers and supervisors toward some workers in the assignment and distribution of the overtime work and concerned over efficient management of the employees' work schedules.

### OBJECTIVES

The objectives of the audit were to determine:

- If the personnel policies and procedures governing the authorization and administration of overtime work assignments are established and functioning properly
- If overtime is being assigned and administered in accordance with the union contract
- If the assignment of overtime work is appropriate
- If the assignment of overtime work is administered fairly
- The impact of compensation for overtime hours on the organization's budget
- The administration and oversight of overtime assignment and costs

### SCOPE and METHODOLOGY

We focused our fieldwork on the administration and oversight of overtime hours worked by employees in OPER who are paid under WMATA's hourly wage system and the police officers in MTPD who are paid under WMATA's salaried payroll system. We reviewed the payroll records of forty-two (42) workers in OPER from calendar year 2004 who either earned a minimum of \$110,000 in gross pay including overtime, a minimum of \$50,000 in overtime pay or were chosen at random. Our fieldwork in OPER was conducted at the following offices: BTRA, BMNT, RTRA, PLNT, CMNT and OPAS. We also reviewed the payroll records of twenty (20) workers in MTPD from calendar year 2004 who earned a minimum of \$110,000 in gross pay including overtime.

Our review consisted of interviews in OPER with some of the general superintendents, assistant superintendents, supervisors, timekeepers and book persons or those employees in BTRA and RTRA who are responsible for managing the daily assignment of bus operators, train operators, station managers and interlockers to their scheduled and non-scheduled tour of duties. We also interviewed the MTPD's chief of police and the timekeeper. The questions asked during the interviews were all structured to obtain an understanding of the workers' duties, their work schedules, how the workers' time was documented, the justifications for the overtime hours worked and management's role in monitoring and controlling the overtime hours. We examined a random sample of some of the worker's time sheets, and we also conducted an analysis of overtime hours for fiscal years 2001 through 2005.

### CONCLUSION

We have completed our review of overtime hours worked in WMATA's Department of Operations and the Metro Transit Police Department. Our conclusions are based on an analysis of payroll system data, an examination of employees' time and attendance records and on interviews and inquiries conducted with senior-level managers, superintendents, directors and managers and supervisors pertaining to overtime hours worked during calendar year 2004. It is our opinion that due to an emphasis on ensuring that services are provided, there has been less focus by management at all levels in OPER on the increasing assignment and working of overtime hours. Although OPER has a sufficient system and

staff for documenting, reporting and monitoring its operating activities, including overtime hours; and the overtime hours worked and the compensation paid were sufficiently documented, we found few significant actions that were taken by management to better understand the nature of, to control or reduce the number of overtime hours that were worked. The managers in OPER do not take full advantages of the reporting and analysis capabilities of its budget analysts and personnel specialists in regard to overtime hours. More analysis should be conducted regarding the justification of the overtime hours assigned and worked.

Staff vacancies, employee absenteeism, special events, expanded revenue service hours for Metrobus and Metrorail and an increase in maintenance due to the aging of Metrobus and Metrorail equipment are all factors that were cited by the senior-level management at WMATA and the superintendents, directors, managers and supervisors in OPER as the reasons for the assignment of overtime hours. Our review showed that staff vacancies, employee absenteeism and special events do have a significant impact on the assignment of overtime hours. The expansion of revenue service hours and the increase in maintenance due to the aging of equipment are areas where the impact on overtime is difficult to measure. The senior-level managers should attempt to quantify the revenue that's generated from the expanded services in order to better measure the real cost of overtime.

We found no issues with the procedures for the assignment and distribution of overtime hours for hourly wage employees in OPER as written in the union labor agreements. We understand that supervisors are sometimes faced with situations in the work place where they must use their discretion, presumably in the best interest of WMATA, when assigning overtime hours. There are certain provisions of the union labor agreements that, in the opinions of some managers and supervisors in OPER, tend to influence the number of overtime hours that are assigned. These provisions were the "Sick Leave" provision for employees with less than 5 years of service and the provisions that allow for the inclusion of overtime pay in the computation of the employees' retirements benefits. We identified a provision in the union labor agreements that allows WMATA management personnel to retain membership in the union administered retirement plan as having the potential to sway the sentiment of the managers toward that of the union rather than that of WMATA and possibly impact decisions that are made regarding overtime hours.

Some offices within the Department of Operations have an established practice of awarding compensatory time to its hourly wage workers for work performed on a holiday. This practice is a means of compensating workers above and beyond the rate agreed upon by WMATA and the labor union representatives. This practice circumvents the requirements of WMATA's personnel policies and procedures and those of the union labor agreements and might contribute to an increase in the assignment of overtime hours in OPER. The practice of awarding compensatory time to workers in addition to the payment of regular wages for work done on holidays should be discontinued.

The Metropolitan Transit Police Department experienced a high number of overtime hours worked by its police officers. Terrorism alerts were one of the significant factors most responsible for the overtime hours assigned in MTPD. The federal government has reimbursed WMATA for overtime hours worked that are related to terrorism alerts. Other factors such as staff vacancies and employee absenteeism also impacted the assignment of overtime hours in MTPD. We noted that some of the police officers frequently worked 12 to 17 hour days. This indicates that some of the police officers were not always in compliance with MTPD's internal policy requirement that each police officer receive at least 8 hours of rest within each 24-hour period. We note that MTPD has exempted court time from the requirement due to the necessity for the officers to go to court when required. The lack

of sufficient rest by workers in both MTPD and OPER might contribute to an increase in a worker's fatigue which can lead to an increase in absenteeism on the job and an accompanying need to assign overtime hours.

The labor agreements in OPER for the workers in Local Union 689 and Local Union 922 also call for the "operators" to be given an opportunity to have at least (8) hours of continuous rest once in each consecutive 24-hour period.

We have made several recommendations and identified several initiatives in our report that could help the senior-level, mid-level and the frontline managers in OPER and MTPD to better manage and improve their oversight of overtime hours. We encourage the managers at all levels in OPER and MTPD to consider these recommendations for implementation and to consider the initiatives in their approach to the management of overtime hours.

### OBSERVATIONS

#### OPER - An Overview of Overtime Hours Worked

Under WMATA's labor agreements with its unionized work force, workers must be paid at the rate of 1.5 times their regular rate for work performed in excess of eight hours during their regular daily schedule and paid at the rate of 2.0 times their regular rate for work performed on their assigned day off or for the 7<sup>th</sup> day when their work week exceeds six consecutive days. In fiscal year 2005, hourly wage earners in the Department of Operations worked approximately 1,738,986 overtime hours or 13% of a total of 13,840,761 hours worked by all hourly wage earners in OPER. In fiscal year 2004, the hourly wage earners worked approximately 1,481,126 overtime hours or 11% of a total of 13,646,002 hours worked in OPER. There was a 17% increase from fiscal years 2004 to 2005 in the overtime hours worked by the wage earners in OPER compared to a 1% increase in the total number of hours worked from fiscal year 2004 to fiscal year 2005. The wages paid to the workers in OPER for overtime hours worked in fiscal years 2005 and 2004 were approximately \$63,289,801 (18%) and \$52,292,776 (16%), respectively. Total wages paid for all hours worked by the hourly wage earners in fiscal years 2005 and 2004 were \$347,530,998 and \$327,048,188, respectively. The line item "Fringe Benefits" represents the paid hours that workers were absent from work during the fiscal year for purposes of vacation, sick leave, holidays and other paid leave.

A summary of overtime hours, overtime wages and fringe benefits hours and wages for fiscal years 2001 thru 2005 is as follows:

**Department of Operations**  
**Hours Worked, Fringe Hours and Wages Paid**  
**Fiscal Years 2001-2005**

Table II

<b>Hours</b>	<b>FY 2005</b>	<b>%</b>	<b>FY 2004</b>	<b>%</b>	<b>FY 2003</b>	<b>%</b>	<b>FY 2002</b>	<b>%</b>	<b>FY 2001</b>	<b>%</b>
Regular	12,101,775	0.87	12,164,876	0.89	12,235,092	0.89	11,872,830	0.89	11,519,505	0.87
Overtime	1,738,986	0.13	1,481,126	0.11	1,568,923	0.11	1,493,516	0.11	1,663,123	0.13
<b>Totals</b>	<b>13,840,761</b>	<b>1.00</b>	<b>13,646,002</b>	<b>1.00</b>	<b>13,804,015</b>	<b>1.00</b>	<b>13,366,346</b>	<b>1.00</b>	<b>13,182,628</b>	<b>1.00</b>
Fringe Benefits	2,267,448	0.14	2,126,041	0.13	2,166,073	0.14	2,074,547	0.13	2,099,179	0.14
<b>Total-All Hours</b>	<b>16,108,209</b>	<b>1.00</b>	<b>15,772,043</b>	<b>1.00</b>	<b>15,970,088</b>	<b>1.00</b>	<b>15,440,893</b>	<b>1.00</b>	<b>15,281,807</b>	<b>1.00</b>
<b>Wages</b>	<b>FY 2005</b>	<b>%</b>	<b>FY 2004</b>	<b>%</b>	<b>FY 2003</b>	<b>%</b>	<b>FY 2002</b>	<b>%</b>	<b>FY 2001</b>	<b>%</b>
Regular	284,241,197	0.82	274,755,412	0.84	263,789,837	0.83	253,140,893	0.84	234,621,798	0.81
Overtime	63,289,801	0.18	52,292,776	0.16	53,396,056	0.17	47,637,422	0.16	53,279,921	0.19
<b>Totals</b>	<b>\$347,530,998</b>	<b>1.00</b>	<b>\$327,048,188</b>	<b>1.00</b>	<b>\$317,185,893</b>	<b>1.00</b>	<b>\$300,778,315</b>	<b>1.00</b>	<b>\$287,901,719</b>	<b>1.00</b>
Fringe Benefits	56,715,831	0.16	52,014,645	0.16	50,949,171	0.16	46,802,602	0.16	46,941,014	0.16
<b>Total-All Wages</b>	<b>\$404,246,829</b>	<b>1.00</b>	<b>\$379,062,833</b>	<b>1.00</b>	<b>\$368,135,064</b>	<b>1.00</b>	<b>\$347,580,917</b>	<b>1.00</b>	<b>\$334,842,733</b>	<b>1.00</b>

### Scheduled and Non-Scheduled Overtime in Operations

The funds expended by WMATA for the payment of overtime hours worked in OPER had a significant impact on the organization's budget. In fiscal year 2005, the amount of non-scheduled overtime pay budgeted for hourly wage workers in OPER was \$18,481,229. The actual amount expended for non-scheduled overtime wages was \$41,342,465. In fiscal year 2004, the actual amount expended for non-scheduled overtime wages was \$33,298,975. As these amounts indicate, the excess of the actual wages paid over the budget wages for non-scheduled overtime in fiscal years 2004 and 2005 had a significant impact on WMATA's budget. We encourage the Office of Financial Management (FIMA) to take these differences into consideration when preparing future operating budgets.

The impact of overtime hours on WMATA's budget is even greater when the wages paid for scheduled overtime are included. Scheduled overtime hours represent the additional time worked daily in excess of eight hours by the bus operators, train operators, station managers and interlockers as an integral part of their assigned runs, schedules or other duties. These employees are customarily referred to in OPER as "operators." Traditionally, in the preparation of WMATA's annual operating budget, the daily overtime hours worked by the "operators" are pooled with the operator's regular eight-hour work day and included within the operating budget under a single line-item as regular hours. For reporting purposes, in WMATA's annual operating budget and in the monthly reporting of operating results no distinction is made between the scheduled overtime wages and the regular wages of the "operators."

This practice results in the understatement of overtime wages in the budget and in the monthly reporting of operating results. However, the amount of overtime wages paid to the “operators” can be determined from more detailed payroll records maintained by WMATA’s accounting office. In our review of the payroll records, we determined that the amounts paid to the “operators” in fiscal years 2004 and 2005 for scheduled overtime work were \$18,993,801 and \$21,947,336, respectively. When these scheduled overtime wages are included with the non-scheduled overtime wages in OPER the actual amounts expended in OPER for all overtime hours worked in fiscal years 2004 and 2005 were \$52,292,776, and \$63,289,801, respectively. We encourage FIMA to disclose the scheduled overtime wages for “operators” as a separate line item in WMATA’s future operating budgets apart from the line item for regular wages to better improve the analysis of and the reporting of overtime wages in OPER.

A summary of the actual scheduled and non-scheduled overtime wages vs budgeted overtime wages for fiscal years 2001 through 2005 is as follows:

**Department of Operations**  
**Budgeted OT vs Actual Scheduled and Non-Scheduled OT**  
**FY 2001 - FY 2005** **Table IV**

	<u>FY 2005</u>	%	<u>FY 2004</u>	%	<u>FY 2003</u>	%	<u>FY 2002</u>	%	<u>FY 2001</u>	%
Scheduled OT	21,947,336	0.35	18,993,801	0.36	20,228,768	0.38	18,840,175	0.40	18,644,407	0.35
Non-Scheduled OT	41,342,465	0.65	33,298,975	0.64	33,167,288	0.62	28,797,247	0.60	34,635,514	0.65
<b>Totals</b>	<b><u>\$63,289,801</u></b>	1.00	<b><u>\$52,292,776</u></b>	1.00	<b><u>\$53,396,056</u></b>	1.00	<b><u>\$47,637,422</u></b>	1.00	<b><u>\$53,279,921</u></b>	1.00
Overtime Identified as Budgeted	<u>18,481,229</u>	0.29	<u>18,334,686</u>	0.35	<u>15,456,448</u>	0.29	<u>17,149,746</u>	0.36	<u>15,268,348</u>	0.29
<b>Difference</b>	<b><u>\$44,808,572</u></b>	0.71	<b><u>\$33,958,090</u></b>	0.65	<b><u>\$37,939,608</u></b>	0.71	<b><u>\$30,487,676</u></b>	0.64	<b><u>\$38,011,573</u></b>	0.71

Managers and Supervisors in OPER cited the following reasons for the previous and continuing assignment of scheduled and non-scheduled overtime hours:

- Staff vacancies
- Employee absenteeism
- The expansion in Metrobus and Metorail revenue service hours
- Increased adjustments to Metrobus and Metorail services for special events
- An increase in maintenance and emergency related activities due to the aging of the transit system

We found that all of these factors contributed to the assignment of overtime hours. We also concluded that less focus by management at WMATA on the problems that contributed to the assignment of overtime hours and on possible solutions to the problems also influenced the number of overtime hours worked by employees and the continuous assignment of overtime hours.

Some hourly wage workers in OPER more than doubled their annual base pay by working overtime hours. Some workers averaged as much as 80 total hours (regular hours plus overtime hours) worked per week after adjustments were made for vacation time and sick time. The high number of overtime hours worked per week raises questions about how fatigue might affect the quality of the work performed by the workers, how fatigue might affect the worker's attendance, the worker's attentiveness to safety requirements and the overall health of the workers. These concerns highlight the need for the superintendents and directors to focus their attention on the overtime hours that are assigned and on the improvement of internal controls over the regular and overtime hours that are worked.

Our audit of overtime hours focused on the efficiency and effectiveness of the hours assigned and an analysis of those hourly wage workers in OPER who in calendar year 2004 earned an annual gross wage of \$110,000 or more including overtime pay or an annual gross overtime pay of \$50,000 or more (See Appendix A). However, there were other hourly wage workers in OPER who increased their annual gross wages significantly (30%-47%) by working overtime hours. We strongly recommend that the superintendents, directors, managers and supervisors in the various offices of the Department of Operations acquire a better understanding of the factors that influence the need to assign overtime hours in order to ensure a more efficient and economical utilization of WMATA's human and financial resources.

### **OPER - Policy on Overtime Hours**

WMATA has no separately written policies and procedures governing the assignment of overtime hours in the Department of Operations. The organization relies on the provisions of its union labor agreements to govern its relationship with employees in OPER regarding the use of overtime hours. The provisions of the labor agreements were mutually negotiated and ratified by WMATA and the labor unions' representatives. WMATA and the labor unions representatives continue to operate under the policies of the current labor agreements although the effective dates of the agreements have expired. Negotiations for the renewal of the two labor agreements for the hourly wage employees in OPER are ongoing between WMATA and the labor unions' representatives.

The union agreements provide detailed definitions and explanations on what work qualifies as overtime, the related rate of overtime pay, how the overtime work should be assigned, information on employees' sick leave, vacation leave, pension benefits and other job related information. The union agreements in OPER also call for the "operators" to be given an opportunity to have at least (8) hours of continuous rest once in each consecutive 24-hour period.

The provisions cited are explained as follows:

- **“Sick Leave” Provision**

According to the **“Sick Leave”** provision, Section 116 (b) of the agreement with Local Union 689, employees with less than five (5) years of service who are out on sick leave for two or more consecutive days do not receive sick leave pay for the first two days of the illness. Sick leave pay is granted only for the third or incremental consecutive days of the sick leave. In the opinion of some supervisors and managers, the exclusion of payment for the first two days of sick leave for workers with less than five years of service might influence the workers to take additional sick

leave days either in protest of the policy or simply to take advantage of a few paid sick leave days that are at hand.

The managers and supervisors expressed additional concern about section 116 (b) that states that WMATA may require a doctor's certificate in any case where there are more than four (4) absences for sick leave in any twelve (12) month period. They believe that the workers strongly resent having to submit a doctor's certificate for sick leaves and that this resentment leads some workers to extend the number of sick days taken during their first four absences in order to maximize the sick leave taken before having to submit a doctor's certificate. The requirement of a doctor's certificate is at the discretion of WMATA's management. It should be emphasized that the requirements of the "**Sick Leave**" provision can just as easily be viewed as a deterrent to workers who might be inclined to take unjustifiable sick leave.

- **The Inclusion of Overtime Pay in the Computation Used to Determine a Retiree's Annual Pension Benefits**

Article V, Section 5.01, of the agreement with Local Union 689, uses a worker's "**Average Compensation**" in determining the monthly retirement allowance to be received by a worker upon retirement. Defined in Article II, Section 2.10 of the agreement with Local Union 689, "Average Compensation" means the average annual compensation of a retiree over the four (4) calendar years during their tenure at WMATA that produce the highest average compensation. These four years are commonly referred to by the workers in OPER as the "high fours." It is the opinion of some managers and supervisors that this provision encourages some workers, especially those nearing retirement, to seek an increased amount of overtime in order to increase their average annual pension benefits upon retirement.

We are aware that the opinions of the supervisors and managers might be taken to infer that these workers purposely engage in means that would create a need for the assignment of overtime hours such as slowing their pace of work and then seeking to complete their regular shift tasks, that are paid at the straight hourly rate, at the higher overtime rate of time and one-half. We did not include any verification tests during our audit that would determine the existence of any cases where a worker actually worked slower than required or any similar activity on part of the workers in OPER. However, we do recognize the possibility that such means of influencing the number of overtime hours worked might exist.

We also identified an additional provision in the union labor agreement with Local Union 689 that might have the effect of increasing the number of overtime hours that are assigned.

- **Appendix A, Article III, Section 3.04, of Local Union 689 allows former union workers, after being promoted to a management level position at WMATA, to retain their membership in the union administered retirement system (The Transit Employees' Retirement Plan). It is the opinion of some managerial and supervisory level personnel at WMATA that this option has the potential and/or appearance of influencing the sentiment of the supervisors and managers in OPER, in favor of the union workers, when difficult planning decisions are made including the number of overtime hours that are assigned.**

1. We encourage WMATA's Acting Assistant General Manager for Operations to consider the implications of these findings on the number of overtime hours that are being assigned.

2. And, we also encourage the General Superintendents in OPER to implement measures that would counter any such influence on the assignment of overtime hours in OPER.

### **Documentation of Hours Worked**

Time-stamp clocks were the main method used by the supervisors and managers in OPER to document the time worked by the hourly wage employees. Daily sign-in sheets were used by some office units. New manifests for operators and new punch-cards for non-operators are prepared and delivered weekly to each office or section in OPER by the office of Planning and Administrative Support (OPAS). The manifests, punch-cards and the daily sign-in sheets were controlled by either a supervisor or an office clerk. A supervisor or office clerk was also responsible for performing a daily or weekly summary of the hours worked by each worker and for entering the data into Detail-to-Gross (DTG), the electronic data system used by WMATA to store each worker's time and attendance records. The DTG system is in the process of being replaced under WMATA's Information Technology Renewal Program (ITRP) by a new and improved electronic data storage and processing system referred to as "Trapeze."

We found the use of sign-in-sheets to be less reliable than the use of the time-stamp clocks in capturing the time worked by employees. The times recorded on sign-in-sheets are less verifiable and therefore less reliable. The time-stamp clocks require less supervision and are more reliable in capturing the actual time worked by employees. We recommend that the general superintendents and directors in OPER discontinue the use of sign-in sheets and replace them with a time-stamp clock where it's feasible.

We noted that at some facilities a supervisor or manager was responsible for summarizing, approving and entering the worker's time-sheet data into DTG. This practice does not have the separation of duties that should be evident for the functions of authorization, recording and custody within an organization. These functions should be performed by separate individuals in order to improve internal controls over an organization's resources. The practice of allowing supervisors or managers to approve, summarize, review and input the worker's manifest, punch-card and time-sheet data into DTG should be discontinued. The process should be performed by two or more individuals who are independent of the other functions. We encourage the general superintendents and directors to improve the internal controls over the documentation of time worked by the employees by ensuring that the functions of approving, recording and maintaining custody of the worker's time sheets are performed by separate individuals who are independent of the other functions.

### **The Fair Assignment and Distribution of Overtime Work**

WMATA's guidelines for the assignment and distribution of overtime hours for its hourly wage workers in OPER are governed mainly by the provisions of its labor union agreements. Some additional procedures specific to the jobs performed by the "operators" were published separately by WMATA's Office of Labor Relations and Local Union 689. The managers and supervisors in OPER have generally implemented the procedures based on the guidelines provided. The core procedures governing the assignment and distribution of overtime hours are as follows.

1. A voluntary sign-up list is posted either weekly or monthly at each office to solicit those workers who seek to work overtime.
2. After a sign-up list is completed, the supervisors rearrange the list in the order of the worker's seniority status.
3. The overtime work assignments are rotated or distributed to all of the workers on a sign-up list, including the non-senior workers, before reverting back to start anew from the top of the list with the most senior workers.
4. A worker is only assigned his or her turn if they meet the standards for the work that's needed.

Employees who feel that they have been unfairly treated in the assignment and distribution of overtime hours can address their complaints to a superintendent or director and/or file a grievance with their union representative.

In interviews that we conducted with the managers and supervisors in OPER and with a representative from one of the employees' labor unions, it was stated that "employees sometimes express their disagreement with the procedures governing the assignment and distribution of overtime hours" and that "grievances are occasionally filed with the employee's respective union." It was further stated that "the complaints and grievances filed are mostly related to complex matters concerning the assignment and distribution of overtime hours for special events, chartered services and overtime work that requires a worker to meet a certain level of qualifications." These are matters that are either unrelated to or cannot be resolved through the workings of the voluntary sign-up lists. There are provisions in the union agreements that preclude workers who are in entry level and middle level positions from working jobs that are assigned to workers in a higher grade level.

The workers at the BTRA and RTRA facilities who are responsible for the daily management of the "day book" stated that they are often required to use their discretion (their familiarity with the workers) when operators are needed on short notice to meet bus and rail schedules and perform other duties. Many of the workers who sign-up for overtime work on the voluntary list are often unsure of their availability for work. When called upon, they may reject the work times given, the number of hours of work needed or the location of the assignment. Those workers who tend to work a lot of overtime hours were commonly identified as possessing the following characteristics: **availability, flexibility, dependability, licensed for chartered services, willing to work assignments at other divisions, and those operators who are assigned to the extra board or operators without regular assigned routes**). See Appendix A for more details.

We noted that the procedures governing the assignment and distribution of overtime hours for "operators" in BTRA and RTRA were last updated in 1990 and 2000, respectively. We recommend that the Department of Operations conduct a review of the policies and procedures governing the assignment and distribution of overtime hours to incorporate current "best practices" as well as changes to improve the process. Also, OPER needs to accomplish this update more frequently in the future. The procedures should be reviewed and updated periodically as an ongoing part of the oversight responsibilities of the superintendents and directors in OPER.

### **Improper Granting of Compensatory Time**

Some offices within OPER have a long established practice of awarding compensatory time to its hourly wage workers for work performed on holidays. Based on the union labor agreements for work performed on holidays, workers receive eight (8) hours of pay at their regular rate as holiday pay and an additional eight (8) hours of pay at straight-time for time worked or a minimum of sixteen (16) hours of pay at straight time. The compensatory time is usually awarded to the workers in addition to the 16 hours of pay received at straight-time. The records that we examined showed that the compensatory time was awarded at the rate of one-half (50%) the hours actually worked on the holiday. A record of the compensatory time awarded and used was usually maintained in an “off-the-record” book by an office supervisor or office clerk.

The reason given by the managers and supervisors for awarding the compensatory time was to make the compensation rate of those workers who work on holidays at straight-time comparable to the overtime rate of time and one-half that workers receive when they work overtime on non-holidays. Some workers in the past had questioned why they were not compensated at the overtime rate when they worked on holidays, especially when they were asked to work. It appears that this practice is a means of compensating workers above and beyond the rate agreed upon by WMATA and the labor union representatives. There is no mention of granting compensatory time in the union labor agreements that govern the hourly wage workers in OPER. The workers make use of the compensatory time by taking additional time off from work for errands. The practice circumvents the requirements of WMATA’s personnel policies and procedures and those of the union labor agreements and should be discontinued. The compensatory time taken off from work might contribute to an increase in the number of overtime hours that need to be assigned due to workers being absent.

We also found other practices allowed in some offices that were not in accordance with WMATA’s personnel policies and procedures nor did they comply with any provision of the union labor agreements.

These practices were:

- (1) The loaning of vacation time between employees, and
- (2) The conversion of vacation time into compensatory time.

The reasons given by managers and supervisors for allowing these practices to exist were that (1) a worker without any leave time can avoid having to take leave-without-pay by borrowing vacation time, and (2) by allowing workers to convert vacation time into compensatory time they can avoid taking a full vacation day off from work (as required by the current labor union agreements) when less time was needed.

The practice of “loaning vacation time between workers” has the effect of allowing workers to take more vacation time than they have earned in a fiscal year or vacation days that they don’t have. The practice of “loaning vacation time” also distorts the official time and attendance records of WMATA employees in DTG by showing that a worker is on vacation when he or she is actually at work with the vacation time on loan to another employee whose records in DTG show that employee as being present at work.

The personnel policies and procedures (Policy No. 6.7) of WMATA restrict the granting of compensatory time to non-represented employees and local 2 employees. Non-exempt employees or employees covered by the wage and hour provision of the Fair Labor Standard Act (FLSA) are not granted compensatory time under WMATA's personnel policies and procedures. Neither is the earning of compensatory time a part of any provision of the current labor union agreements governing the employees of Local Union 689 and Local Union 922 in OPER. The MTPD police officers of local labor union 246 are allowed to convert their overtime hours and hours worked on holidays to "compensatory time" under the provisions of their labor agreements.

Compensatory time that's not granted in accordance with WMATA's personnel policies and procedures should be discontinued until the practice can be further evaluated by the general superintendents and directors in OPER. Managers and supervisors should use sound judgment in the best interest of WMATA if it's decided that compensatory time can be granted to the wage and hourly employees in OPER, especially, when the compensatory time taken might lead to the need to assign overtime hours to complete tasks that otherwise might have been completed during regular hours.

### **MTPD - Overview of Overtime Hours**

For overtime hours worked in MTPD, with the exception of holidays, police officers are paid at the rate of one and one-half (1.5) times their basic hourly rate. In fiscal year 2005, the police officers in MTPD worked approximately 171,739 overtime hours or 17% of the total of all hours (1,002,010) worked in MTPD. In fiscal year 2004, the police officers in MTPD worked approximately 121,922 overtime hours or 13% of the total of all hours (959,803) worked in MTPD. There was a 41% increase in the total number of overtime hours worked in MTPD from fiscal year 2004 to fiscal year 2005 compared to a 4% increase in the total number of hours worked from fiscal year 2004 to fiscal year 2005. The compensation paid to the police officers for the overtime hours worked in fiscal years 2005 and 2004 were \$6,804,089 (25%) and \$4,621,999 (18%), respectively. Total compensation paid for all hours worked in MTPD in fiscal years 2005 and 2004 were \$27,439,848 and \$25,220,303, respectively.

A summary of overtime hours, overtime wages and fringe benefits hours and wages for fiscal years 2001 thru 2005 is as follows:

**Metropolitan Police Department  
Hours Worked, Fringe Hours and Salaries Paid  
Fiscal Years 2001-2005**

Table III

<b>Hours</b>	<b>FY 2005</b>	<b>%</b>	<b>FY 2004</b>	<b>%</b>	<b>FY 2003</b>	<b>%</b>	<b>FY 2002</b>	<b>%</b>	<b>FY 2001</b>	<b>%</b>
Regular	830,271	0.83	837,881	0.87	805,476	0.86	739,373	0.83	677,669	0.85
Overtime	171,739	0.17	121,922	0.13	128,992	0.14	149,442	0.17	123,842	0.15
<b>Totals</b>	<b>1,002,010</b>	<b>1.00</b>	<b>959,803</b>	<b>1.00</b>	<b>934,468</b>	<b>1.00</b>	<b>888,815</b>	<b>1.00</b>	<b>801,511</b>	<b>1.00</b>
Fringe Benefits	150,606	0.13	150,463	0.14	140,826	0.13	139,305	0.14	135,317	0.14
<b>Total-All Hours</b>	<b>1,152,616</b>	<b>1.00</b>	<b>1,110,266</b>	<b>1.00</b>	<b>1,075,294</b>	<b>1.00</b>	<b>1,028,120</b>	<b>1.00</b>	<b>936,828</b>	<b>1.00</b>
<b>Salaries</b>	<b>FY 2005</b>	<b>%</b>	<b>FY 2004</b>	<b>%</b>	<b>FY 2003</b>	<b>%</b>	<b>FY 2002</b>	<b>%</b>	<b>FY 2001</b>	<b>%</b>
Regular	20,635,759	0.75	20,598,304	0.82	19,783,810	0.81	18,435,332	0.78	19,076,749	0.83
Overtime	6,804,089	0.25	4,621,999	0.18	4,589,641	0.19	5,319,914	0.22	3,904,724	0.17
<b>Totals</b>	<b>\$27,439,848</b>	<b>1.00</b>	<b>\$25,220,303</b>	<b>1.00</b>	<b>\$24,373,451</b>	<b>1.00</b>	<b>\$23,755,246</b>	<b>1.00</b>	<b>\$22,981,473</b>	<b>1.00</b>
Fringe Benefits	4,340,122	0.16	4,377,077	0.17	4,028,961	0.17	3,820,521	0.16	3,376,491	0.15
<b>All Salaries</b>	<b>\$31,779,970</b>	<b>1.00</b>	<b>\$29,597,380</b>	<b>1.00</b>	<b>\$28,402,412</b>	<b>1.00</b>	<b>\$27,575,767</b>	<b>1.00</b>	<b>\$26,357,964</b>	<b>1.00</b>

### MTPD - Policy on Overtime Hours

WMATA's policy regarding the overtime hours worked by the police officers in MTPD is governed by the provisions of the respective union labor agreements for the Transit Police Officers and the Special Police Officers. Local 246 of the "International Brotherhood of Teamsters, AFL-CIO" represented the Metro Transit Police through the labor agreement with WMATA that was effective October 1, 1998 to September 30, 2004. However, Local 246 was subsequently decertified as a union. The Metro Transit Police is now represented by the "Fraternal Order of Police of Metro Transit Police Committee, Inc. (FOP)." The FOP was certified by WMATA on December 8, 2004, as the exclusive bargaining agent for the Metro Transit Police. A new labor agreement between WMATA and the FOP is in effect from January 1, 2005 through December 31, 2007. A new labor agreement between WMATA and the union (Local 639 of the "International Brotherhood of Teamsters' Law Enforcement Division") representing the Special Police Officers is in effect from October 1, 2003 to September 30, 2007.

The policies expressed on overtime hours in the provisions of the union labor agreements for the Transit Police Officers and the Special Police Officers are for the most part similar. However, there are some differences. All police officers who work hours in excess of their normal work day or work week are to be compensated for overtime hours at the rate of time and one-half (1.5) their basic hourly rate. For overtime hours worked on holidays, Transit Police Officers are compensated at the rate of 2.25 times their basic hourly rate whereas; the Special Police Officers are compensated at the rate of 1.5 times their basic hourly rate. All MTPD police officers are also allowed to convert their overtime

hours and hours worked on holidays to “compensatory time” at the rate of time and one-half (1.5) their basic hourly rate. The “compensatory time” can be used by the officers as needed when approved in advance. There is no provision in either the union labor agreement for the Transit Police Officers or the Special Police Officers that allows the compensation earned from overtime hours worked to be included in the formula that’s used to calculate an officer’s annual retirement pension.

Overtime work for both the Transit Police Officers and the Special Police Officers is on a voluntary basis. However, the selection of officers from the volunteer lists for the Transit Police Officers is based on seniority. The selection of officers is rotated until all of the volunteers have been assigned overtime work before the selection process starts anew with the senior officers. In the selection of Special Police Officers for overtime, the senior and junior officers have equal rights in the selection process. However, if a sufficient number of officers fail to volunteer, the selection process starts with the most junior officers. The overtime is assigned on a rotational basis whether the officers are volunteers or not. During emergencies and special events, all police officers are expected to and/or may be required to work overtime hours even on their scheduled days off. MTPD’s has an internal office policy that requires that each officer have a minimum of eight (8) hours off-duty in each twenty-four (24) hour period. However, we note that court attendance by officers is exempt from the policy.

We examined the time-sheets of a selection of the police officers who earned gross pay of \$110,000 or more in calendar year 2004. We also inquired of managers and supervisors about the policy and procedures used in the assignment of overtime hours. The purpose of our examination of the time-sheets was to determine if the time and attendance records were properly documented and approved and whether the overtime hours worked were authorized and justified. Our review showed that overtime hours are frequently worked in the Office of MTPD. During calendar year 2004, the police officers in MTPD worked a total of 118,151 overtime hours. This represented an average of 242 overtime hours per officer or approximately seven (7) weeks of additional work during the year. Compensation paid for overtime hours worked by the police officers in calendar year 2004 was approximately \$4,871,801 or \$10,000 per officer. Twenty (20) of MTPD’s police officers earned gross pay including overtime pay of \$110,000 or more in calendar year 2004. Twenty-nine to fifty-two percent (29%-52%) of the gross pay of the officers who earned \$110,000 or more was from working overtime hours. (See Appendix B)

In our examination of the police officers’ time sheets, we found the following:

1. 12 to 17 hours per day were frequently worked by some officers including 4 to 7 hours of overtime depending on the officer’s daily tour of duty.
2. The overtime hours worked were frequently converted into compensatory time.
3. Overtime hours are frequently worked on assigned days off.
4. Officers, on occasion, work overtime hours on the same days that they take annual leave representing a different shift. (Court time is exempt).
5. 17 or more hours (regular and overtime) were sometimes worked during a 24-hour period.
6. At least one time sheet indicated that an officer worked 22 hours in a 24-hour period.
7. Overtime work might not always be approved in advance by an MTPD official.

### **MTPD - Justification for Overtime Hours**

In our inquiry regarding the justification for the overtime hours worked in MTPD, the managers and supervisors stated that MTPD’s operations and responsibilities within WMATA are unique (as are

most law enforcement operations) and that the working of overtime hours is an integral part of their operations as law enforcement officers. The managers and supervisors cited the following reasons why overtime hours are considered an integral part of MTPD operations: **Minimum Staffing Requirements, Court Time, Evidence Gathering, and Specialized Training Requirements.** Other reasons cited as having a significant influence on the number of overtime hours worked were: **Staff Vacancies, Terrorism Alerts and Patrols, and Training and Recruitment** of new officers. The supervisors and managers emphasized that no MTPD police officer can ever be exactly sure of his or her daily tour of duty.

Records provided by MTPD indicated that approximately 26 vacancies (a rate of 5%) existed for police officers in their office as of June 27, 2005. They stated that the vacancy rate for police officers that are available for assignments is always higher than the calculated rate because the new recruits are not available for work assignments because they are in training for the first 10 months after being hired. Since the recruits are in training, other police officers are needed to work overtime to handle work assignments. The need for officers to handle suspects, collect and properly secure evidence, attend court sessions and meet their “special training requirements” are considered to be major contributors to the need to assign overtime hours in MTPD.

Overtime hours for terrorism alerts, minimum staffing requirements, training and recruiting and court time constituted most of the overtime hours worked by the MTPD police officers. The compensation paid to MTPD police officers for regular and overtime hours worked for terrorism alerts was generally reimbursed to WMATA by the federal government in 2004. We noted that some officers worked more than 16 hours in a 24-hour period. When an officer works more than sixteen (16) hours in a 24-hour period they are not in compliance with MTPD’s policy which requires that a minimum of eight (8) hours of off-duty time may be taken in each twenty-four (24) hour work period. There are extenuating circumstances involved with overtime such as court attendance which is exempt from the policy. We also noted that some police officers averaged a high number of hours worked on a weekly basis.

We understand that MTPD is cognizant of the “fatigue factor” that could negatively affect the ability of the officers to be effective at their jobs and are aware of those police officers who work a high number of hours in a 24-hour period and on a weekly basis. We encourage the managers and supervisors to reiterate and to enforce MTPD’s policy, when possible, that “a minimum of eight (8) hours of off-duty time be taken by all police officers within each twenty-four (24) hour work period.” We note that court time for police officers is exempt from this policy.

### **Management of Overtime Hours**

The managerial chain of command in the Department of Operations that was responsible for the oversight of overtime hours in fiscal year 2004 was the Deputy General Manager for Operations, the Chief Operating Officers for Bus and Rail, the General and Assistant Superintendents for each bus and rail division, the Directors and Assistant Directors for each office along with a supporting frontline cast of managers and supervisors. Successful management of employees’ work hours requires that the managers and supervisors engage in both short-term and long-term planning, hiring and training of employees and the development and implementation of a system of internal controls to provide documentation, analysis and reporting on the activities that the organization is attempting to accomplish.

Management in OPER at all levels needs to take greater advantage of the reporting capabilities of its business systems and its support personnel. The budget analysts in OPER and the budget personnel specialist in OPAS should be asked to provide the managers with more detailed reporting on the nature of the overtime hours including helping OPER to verify that the overtime hours worked are justified. The superintendents, directors, managers and supervisors should utilize the internal data that's generated on OPER's operating results along with WMATA's external demands for services to make the best decisions regarding the utilization of its workforce. Concerns such as absenteeism, staff vacancies and overtime hours are an integral part of the decisions made by the managers in OPER. The superintendents and directors and other managers must be prepared to respond to these challenges.

### **Resources Available to Managers and Supervisors**

We found that OPER has a sufficient amount of resources and a sufficient system of internal controls in place to document, perform analysis and report on the activities surrounding the assignment and working of overtime hours. In addition to the human capital, the internal control system consists of work schedules prepared by the frontline managers or supervisors, time-clocks and sign-in sheets to capture the hours worked by the employees and office clerks to collect and summarize the hours worked. OPER also has approximately 9 budget analysts employed through-out the department who conduct periodic analysis of the department's operating results by division and office. The budget analysts prepare monthly budget variance reports on the department's operating expenditures for each division and office including information on expenditures for overtime hours.

The budget analysts submit their monthly variance reports on operating results to the general superintendents or directors for each office in OPER. The budget analysts also submit their reports to the Office of Budget (OBUD) a branch office in the Department of Operations that is responsible for monitoring the operating activities for all of OPER. OBUD prepares and submits monthly budget variance reports on operating results in the Department of Operations to the Deputy General Manager for Operations, the Chief Operating Officers (COOs) for bus and rail services and to the Director of PLNT. The reports submitted by OBUD include information on overtime hours worked, employee absenteeism, and staff vacancies in OPER. The Office of ACCT maintains even more detailed records on overtime hours on its electronic "Accounting Data Warehouse" system. The "Accounting Data Warehouse" system is made available to each office in OPER via the intranet.

### **Actions and Opinions of Senior-Level Management**

The senior-level management at WMATA is resolved to the fact that the assignment of overtime hours by managers and supervisors is an integral part of operating the Metrobus and Metrorail systems. Like the mid-level managers and the frontline managers and supervisors senior-level managers cited employee absenteeism, staff vacancies and the increase in Metrobus and Metrorail services as the main reasons for the assignment of overtime hours. They also expressed concerns about the roles that certain provisions of the labor union agreements might play in contributing to the need to assign overtime hours and the effect of fatigue on workers' productivity, quality of work and health.

The senior-level managers usually discussed the assignment of overtime hours during their monthly meetings where they also reviewed budget variance and other analysis reports on overtime hours. We found few instances of special reporting or management initiatives from the senior-level managers regarding the issues affecting overtime hours. Some of the issues that we suggest be looked at are: (1) the impact of overtime hours on WMATA's budget, (2) the relationship of overtime hours to special events or extra services, (3) the relationship of pay for overtime hours to the revenue generated from special events and extra services and (4) the effect that fatigue from working a significant number of overtime hours has on a worker's level of productivity, quality of work and well-being.

If the effects of overtime hours are to be better understood and sufficient and timely plans are to be put in place to mitigate any negative effects on WMATA's ability to function economically and effectively in the future, the senior-level managers need to take a more proactive role in the management of overtime hours.

### **Opinions of the Managers and Frontline Supervisors**

The general opinions expressed by the superintendents, managers and supervisors on the issue of overtime hours were similar in most cases to those expressed by the senior-level managers. The superintendents, managers and supervisors thought that certain provisions of the union labor agreements might influence the number of overtime hours that needed to be assigned. However, the managers and front-line supervisors did not believe that fatigue had a significant effect on the productivity or quality of work of those employees who consistently worked a high number of overtime hours. They stated that traditionally the workers in OPER have always had to work overtime hours and that many of them actively seek to work overtime. They cited the continued increase in bus and rail services, employee absenteeism and staff vacancies as the main cause of the need to assign overtime hours. A few supervisors added that the lack of productivity of some workers was also a factor.

The supervisors added that "their jobs were to ensure that maintenance and repairs are performed on the buses and trains and in the support service divisions in a timely manner to ensure that bus and rail services schedules are met." "Whether the maintenance and repair services for bus and rail were performed by workers at straight time or at overtime "was not their issue." Likewise they stated that "the issues of budgets and overspending were not their issues as these were issues for senior and mid-level managers." The supervisors stated that "they were rarely questioned by their superintendents and directors about the overtime hours worked," and that "they usually did not review the monthly budget variance reports prepared by the budget analysts."

We encourage the managers and supervisors in OPER who are responsible for the approval and assignment of overtime hours to take advantage of the data generated on OPER's operating results so that they can see first hand the effects of overtime hours on WMATA's budget. We encourage the managers and supervisors to provide suggestions to the superintendents, directors, and senior-level managers on how to control and reduce the overtime hours in order that they may better meet their responsibility to ensure that the human and financial resources of WMATA are employed in the most efficient and economical manner. The senior-level managers should work closer with the front-line supervisors in OPER including providing the supervisors with copies of the monthly analysis reports so that the supervisors might better understand the impact of the overtime hours on WMATA's operating budget. We also encourage the managers at all

levels in OPER to improve their communication on the issue of overtime hours by conducting consistent reviews of the monthly variance reports prepared by the budget analysts and by discussing the results with the other managers.

### **An Overview of Factors That Impacted the Assignment of Overtime Hours**

#### **▪ Vacant Positions**

Records provided by OPAS show that the Department of Operations averaged 424 vacant positions throughout calendar year 2004. When expressed in terms of “standard man days” (SMD) not worked (424 multiplied times 219) (219 represents the estimated number of days worked annually by an employee in OPER at regular hours) the number becomes 92,856 SMD not worked. This amounts to 742,848 working hours or 49% of the total overtime hours worked in OPER in calendar year 2004. The supervisors use the vacant positions to justify their assignment of overtime hours. The supervisors and managers also commented that it takes HRMP three to seven months to fill the vacant positions.

We reviewed the monthly vacancy reports to determine the status of the recruiting and hiring process for the vacant positions in OPER. A monthly vacancy report is prepared by OPAS for each office in OPER. In addition, some offices in OPER prepare their own in-office vacancy reports. Neither the OPAS vacancy report nor the in-office vacancy report included enough relevant information to determine the age of a vacancy or to get a sufficient understanding of the status of the vacant position in the recruiting and hiring process. The reports did not include the date that a position was vacated or the effective date of the action (PAR or SPAR) taken that caused the position to become vacant. This date is needed to determine the age of the vacancy. The reports also lacked a sufficiently detailed description about the status of the vacant position. We could not determine why certain actions were taken or not taken based on our review of the descriptions given. We understand that the new Human Resource Module for Peoplesoft will have the capability to track vacancies.

We recommend that OPER, OPAS and HRMS ensure that the vacancy reports generated by Peoplesoft include the following:

1. The effective date of the action (PAR, SPAR or other) taken that caused the position to become vacant.
2. A more detailed description of the status of the position in the recruiting and hiring process. The description of the status of a position should include “what is happening” with a position and also “why it’s happening.” A more detailed description may be needed for those positions that have been vacant for a long time.
3. An aging column should be added to each vacancy report to show the number of days that a position has been vacant. The effective date of the action (PAR, SPAR or other) taken that caused the position to become vacant should be used as the starting date for aging the vacant position.
4. Vacant positions that are not actively being recruited, for example, those positions on hold, on loan, cancelled or withdrawn should be separated in the vacancy report from those positions that are being actively recruited.

5. A copy of the monthly vacancy report prepared by each office should be submitted each month to the office superintendents and directors and to OPAS. OPAS should reconcile the office vacancy reports with their vacancy reports for discrepancies.

The managers and supervisors in OPAS who are responsible for monitoring the vacancies in OPER stated that the new Peoplesoft database and processing system that's being installed in the Office of Human Resources Management Services will include a feature that will allow OPAS to obtain the action dates of PARs and SPARs. The PAR and SPAR action dates can be used by OPAS to provide an account of the exact number of days a position has been vacant. The managers, supervisors and employees in OPAS also shared their opinions with us on other problems that affect the filling of vacant positions along with some suggestions for improving the system. These items are offered as comments by OPAS not as recommendations by our office. However, OPER may want to consider some of these comments/ideas as suggestions for improvement.

1. There is a lack of urgency by managers and supervisors to fill vacant positions.
2. HRMS is understaffed. More recruiters and recruiter assistants are needed.
3. HRMS does not allow a requisition to be processed for a vacancy prior to the position being vacant.
4. Managers and supervisors sometimes maintain vacant positions in order to justify overtime hours.
5. Managers and supervisors sometimes use dummy PCN numbers to inflate their vacancies.
6. OPER should be allowed to hire their own recruiter separate from HRMS.
7. A position should be created in each office in OPER to monitor vacancies.
8. HRMS should assign a recruiter plus an assistant to each office in OPER.
9. HRMS could improve their recruiting by establishing a better outreach program with the local trade schools, community colleges and jobs programs and maintain frequent contact with these groups through mutual visits and speaking engagements.
10. Recruitment should start after 30 days for employees on leave due to worker's compensation claims, sick leave or other leave that extends beyond 30 days.
11. Managers and supervisors should be given a certain number of days to fill vacant positions or have the positions eliminated.
12. Managers and supervisors need to improve their planning for vacancies.
13. Managers and supervisors, in conjunction with HRMS, should maintain a pool of applicants who have already been tested for their positions.

As part of our review, we offered the following suggestions for improving management oversight of vacancies in OPER:

- Link the PARs and SPARs with the Requisition for each new position. By filing both the PAR/SPAR and Requisition at the same time.
- Managers and supervisors should be required to file a Requisition or "Statement of Intention" for each position immediately after the position becomes vacant. This information should be reported by each office in the monthly vacancy report.

**Department of Operations' Vacancy Report by Office  
As of June 22, 2005**

Table V

	Requisitioned to HRMS	Posted Positions	Resumes under Review	Candidate Selected	No Req Required	No Req Submitted	Position On Hold	Total Vacancies
BMNT	39	13	5				10	67
BTRA		6	1	2	122	8		139
CMNT		16	17			29	2	64
ELES		4	4			10	3	21
RTRA		5	2		29	8	1	45
SMNT		7	13			13		33
TRST		9	6			11	1	27
PLNT		10	11			2		23
OPAS		2	9	3		14	30	58
<b>Totals</b>	<b>39</b>	<b>72</b>	<b>68</b>	<b>5</b>	<b>151</b>	<b>95</b>	<b>47</b>	<b>477</b>

**Note:** Positions for “operators” in BTRA and RTRA are not required to be requisitioned. The candidates are selected from classes operated by WMATA. An aging report on the vacancies in OPER could not be prepared because the effective date that the position was vacated was not available.

- **Absenteeism**

Controllable (non-scheduled) absenteeism (days missed from work due to sickness, injury, suspensions or leave without pay) in OPER for **calendar year 2004** was approximately 5%. When expressed in terms of SMD missed from work in OPER in **calendar year 2004**, the number is 83,765 days. Uncontrollable (scheduled) absenteeism is days missed from work due to vacations, military leave, jury duty and bereavement leaves. The 83,765 SMD missed from work in OPER in **calendar year 2004** for controllable absences were in addition to 121,721 SMD missed due to Uncontrollable absences. This represents 205,486 SMD in **calendar year 2004** which totals to 1,643,888 working hours or 109% of total overtime hours worked.

- **Special Events / Chartered Services**

WMATA is frequently asked and often volunteers to increase its Metrorail services for special events that occur in the Washington, D.C. metropolitan area. These events range from nightly sporting events (basketball, hockey and baseball) to annual conventions, celebrations and marathons. Metrobus provides chartered services for sporting events, annual celebrations and for other special events in the D.C. area. The cost of the chartered bus services that's provided by Metrobus is usually reimbursed to WMATA. In fiscal years 2005 and 2004 WMATA paid overtime wages of approximately \$782,838 and \$814,689, respectively, for chartered bus services. The amounts reimbursed or paid to WMATA for those chartered bus services were approximately \$2,072,785 and \$2,162,493, respectively. The excess of the reimbursement amounts over the overtime wages paid for the chartered services covers other operating costs and provides a potential profit to WMATA.

Special events usually always require that overtime hours be assigned in preparation for and the actual working of the events. WMATA relies on the theory that the costs it incurs for services provided for special events are usually recovered from an increase in revenue generated from an increase in Metrobus and Metrorail customer ridership. However, not all special events that WMATA provides extra services for are arranged with organizers who provide funds to cover the estimated costs of the extended services. A lot of the extra services provided by WMATA is provided voluntarily based on anticipated needs such as for sporting events, concerts and similar events for which no funding to cover anticipated costs is provided. The cost for any overtime hours related to these extra services is paid for by WMATA without additional funding.

The following table shows a breakdown of overtime wages recorded as being incurred for significant special events for which WMATA provided Metrobus and Metrorail services in fiscal years 2003 thru 2005.

**Overtime Wages Recorded for Special Events  
Fiscal Years 2003 thru 2005**

**Table VI**

<b>Special Events</b>	<b>FY 2005 BUS</b>	<b>FY 2005 RAIL</b>	<b>FY 2004 BUS</b>	<b>FY 2004 RAIL</b>	<b>FY 2003 BUS</b>	<b>FY 2003 RAIL</b>
OT Special Events	5,351	44,973	18,943	20,477	774	10,991
Support for Authority Events		1,310		3,502	4,265	5,616
Friday/Saturday Late	133,389	27,515	87,382	42,118	76,200	1,874
IMF Protest	487	9,106	798	4,830	28,630	66,620
4th of July	16,587	607,476	11,120	209,004	691	170,059
Cherry Blossom		368,298		2,480		68,004
Operations-Special Events	36,563	369,053	190,296	452,135	78,238	404,757
Early Station Openings		4,451		5,742		3,077
Security for Ticket Sales		2,831		12,034		2,943
Nat. Japanese Memorial						139
WWII Memorial		128	120,973	163,231		
Complimentary Services	1,509		14,088			
Inauguration Day Support	876	63,502				
MTPD-Nationals Baseball	1,691	654,165				
<b>Totals</b>	<b>\$ 196,453</b>	<b>\$ 2,152,808</b>	<b>\$ 443,600</b>	<b>\$ 915,553</b>	<b>\$ 188,798</b>	<b>\$ 734,080</b>

The amounts shown are for the special events that were assigned a job number in OPER for overtime hours worked. However, because some overtime hours were not assigned specific job numbers, the overtime wages paid for special events might be understated. For example, non-scheduled overtime wages related to activities for Metrobus and Metrorail for fiscal years 2005 and 2004 that were not assigned a job number were approximately \$38,445,610 and \$33,827,807, respectively. The managers and supervisors in OPER need to improve their procedure of assigning job numbers for the overtime hours that are worked. Each job or task assigned during regular hours or overtime hours should be given a job number that allows accounting or other interested offices/departments to properly identify and classify the types of overtime work that were performed.

WMATA's current arrangement for reimbursement from the organizers of special events is as follows:

- For each special event that Metrorail agrees to extend operating hours, a charge of \$18,000 per hour is billed to the organizers of the event.
- A certified check for the \$18,000 is due from the organizers in advance.
- If estimated revenue collected from customers during the extended hours exceeds the \$18,000 advance, WMATA refunds the \$18,000 to the organizers.
- If estimated revenue collected from customers during the extended hours is less than the \$18,000 advance, WMATA refunds the revenue collected during the extended hours to the organizers and retains the \$18,000.

According to officials in the Department of Customer Communications (CCMS), the number of requests for increased Metrobus and Metrorail services for special events continues to rise annually.

#### ▪ **Increased Metrobus and Metrorail Services to the Public**

During **calendar years** 2003 and 2004, WMATA increased its services to the public by:

- extending its hours of rail service to the public, for example late opening on weekends and earlier openings on weekdays
- The opening of 3 new rail stations – New York Avenue, Morgan Boulevard, and Largo Town Center
- Increased Metrobus services to augment the increase in Metrorail services
- A reduction in non-revenue hours available for servicing the rail cars and tracks resulted in more maintenance, repairs and improvements being performed on the weekends

#### ▪ **Metrobus and Metrorail Emergencies**

During the past two years, OPER has performed

- More in-advance preparations for winter snow storms
- Several scheduled and non-scheduled projects related to Metrorail
- Use of Metrobus to augment Metrorail during emergencies

### **Management Initiatives that Could Improve the Management of Overtime Hours**

As a result of our review of overtime issues, we offer the following initiatives that can improve the management of overtime.

#### **1. Performance Measures**

Performance measurement is a system of management based targeted goals and outcomes that are set for an office and/or for each individual worker. The system is designed to improve workers' performance within the overall framework of the mission and goals of an organization. Under a system of performance measures the work of the employees is continuously monitored and periodically evaluated with the objective of ensuring that set

standards are met, output goals are reached and that general improvements in workers performances are achieved.

## 2. Time Standards

Time Standards are a system of time measurements used as standards or guides for the performance of specific tasks in the work place. The objective is to determine the time it should take an average trained person to perform a task over an 8-hour day or longer under usual working conditions and at a normal pace. Time standards are an element of performance measures but can be implemented without the full complement of components that make-up performance measures.

## 3. Evaluation of the Performance of Supervisors and Managers in Regards to their Efficient Management of Overtime Hours

Require that the periodic performance evaluations for managers and supervisors include questions and measures related to their efficient management of overtime hours. Consistent focus on the management of overtime hours should lead to new ideas on how overtime might be reduced and/or an increased understanding of why it is needed.

## 4. Consider Possible Revisions to the Union Labor Agreements for the Following:

### Calculation of the Annual Pension Benefits

This provision in the union contracts allows compensation for overtime hours worked to be included in the calculation of a workers' average compensation for determining the worker's annual pension benefit. This policy is a direct incentive for workers to create the need for overtime work and to seek more overtime compensation in order to increase their annual pension benefits upon retirement.

### "Sick Leave" Provision

The provision in the union contracts that requires that (1) a worker with less than five years of continuous service not receive payment for the first two days of any sick leave taken. The worker is paid only for the third day and additional days of sick leave. (2) The provision in the union contracts that allows managers and supervisors (at their discretion) to require a worker to submit a doctor's certificate after four absences from the job due to sick leaves. The managers and supervisors believe that these provisions create an incentive for some workers to take additional days of sick leave in an attempt to utilize these provisions on sick leave to their advantage.

## 5. Worker's Incentives

Create incentives for supervisors and managers to perform better reviews, analysis and reporting on overtime hours to reduce the overtime hours worked. Incentives to reduce workers' absenteeism already exist.

## 6. Limit the Number of Overtime Hours Per Worker

There are no known federal regulations or guidelines on how many hours of work an employee should be limited to in a 24 hour period. WMATA's Local 689 Union Agreement requires that each worker is to take at least 8 hours of time off from duty within each 24 hour period of work. However, it's possible that WMATA through management initiatives could place a limit on the number of hours an employee is allowed to work per week or per month. This limit would help to control the assignment of overtime hours and the effect of possible fatigue experienced by workers as a result of the high number of overtime hours being worked.

## 7. Reduce the Lapse in Time Taken to Fill Vacant Positions

Some supervisors use existing vacant positions to justify their assignment of overtime hours. They also complained that it takes HRMS three to seven months to fill the vacant positions. A reduction in the time taken by HRMS to fill the vacant positions in OPER should help to reduce the use of overtime hours. This would also make it harder for supervisors and managers to use vacancies to justify the assignment of overtime hours.

## 8. Greater Restrictions on Employees MIPing and the Granting of Compensatory Time Off

Some offices in OPER with a significant number of overtime hours have allowed their employees to earn time-off from work for errands or other reasons by granting compensatory time instead of pay for overtime hours worked. Some employees might also have been allowed to earn compensatory time by participating in volunteer activities as a Metro Information Person (MIP). MIPing activities usually consist of employees helping WMATA to provide information to the transit riders. It is important that office directors and general superintendents in OPER not allow employees to take time off during their regularly scheduled work hours to participate in MIPing activities. Both compensatory time-off for overtime hours worked and time-off for MIPing can result in the managers and supervisors having to assign overtime hours to other workers in order to meet the work schedules due to compensatory time taken during regular work hours.

## 9. Require Greater Oversight From Senior-Level Managers

More accountability from the frontline supervisors and managers is needed. However, greater accountability can only be realized if the senior-level managers in OPER increase their oversight activities and hold their subordinates accountable for more efficient management of the costs of overtime hours. All regular and overtime hours that are worked in excess of those budgeted should be **"red flagged"** on a monthly basis with managers and supervisors held accountable for providing an explanation for exceeding the budget. The senior-level managers should also be required to identify appropriate funding for overtime before non-budgeted regular hours and overtime hours are approved for work assignments.

## 10. Influence the Loyalties of the Frontline Supervisors and Managers

Many of the frontline supervisors and managers in OPER are promoted from the ranks of the union. Some of these employees might continue to identify with or retain their loyalties and sentiment with the management and policies of their former labor union rather than with

WMATA's management. In fact, many of the frontline supervisors continue to maintain their memberships in the labor union after being promoted into positions of management for WMATA. It's reported that the choice of the supervisors and managers to retain their memberships in the labor union is based in their preference for the benefits offered in the labor union's retirement pension plan over those that WMATA offers in the retirement plan for its non-represented employees.

When a WMATA employee is promoted to a non-represented position, such as a supervisor and/or manager, the employee has the option to remain in the union retirement plan or to transfer to another retirement plan provided by WMATA for non-represented employees. WMATA should consider whether the retention of membership in the union retirement pension plan by its supervisors and managers who are appointed from the ranks of the union membership might interfere with or influence the managerial decisions made in the work place in regards to overtime hours.

### **11. Assign Overtime Hours based on the Estimated Time Taken to Accomplish a Specific Task**

Overtime hours are generally assigned to workers based on a full 8 hour shift. However, supervisors should evaluate whether specific overtime projects require a worker to work a full 8 hour shift or whether the work can be assigned over a shorter period of time before the overtime is assigned. A specific task might take less than the full 8 hours to be accomplished and the overtime should be assigned accordingly. To increase work place efficiency, we encourage supervisors to assign overtime hours when feasible based on the estimated time needed to complete a specific task.

### **12. Frontline Supervisors and Managers May Lack the Managerial Judgment to Effect a Change Regarding the Overtime Hours Worked**

Before being promoted from the union ranks in OPER, many of the frontline supervisors and managers have spent most of their careers in union related jobs at a WMATA facility. Although many of the tasks performed by the union members are highly technical and they attend management seminars, the experience gained is not easily transferable to the skills needed to manage people, time and budgets or to document, analyze and report on activities and events and to make unpopular decisions.

Frontline supervisors and managers who were promoted from the union ranks have a good understanding of what's needed to accomplish the tasks in the shop. However, they might not be as skilled when it comes to making decisions that would be more favorable to WMATA's management or change the culture or work habits of the shop workers. The bonds between the workers and the frontline supervisors and managers, who were promoted from the union ranks, are also reported to have their positive sides such as a more trusting relationship, better communications, and possibly greater productivity from the worker.

### **13. The Budget analysts and personnel specialists in OPER should be more active in providing managers with more in-depth research and reporting on overtime hours.**

#### 14. More Effective Scheduling of Work Hours.

Some areas that have been regularly worked as overtime hours are known in advance. These include special events (baseball, basketball and hockey) and certain job assignments such as cleaning and refueling of buses. Advance planning and scheduling of work hours could reduce the number of overtime hours worked.

#### Observations Made During the Audit that Could Impact Overtime Hours

During the audit, we observed items that could impact the amount of overtime hours that are worked.

These are:

1. Detailed descriptions of the work performed by the employees who work the overtime hours are not provided or are insufficient to gain a reasonable understanding of what occurred.
2. The ACCT Payroll manager stated that “the Trapeze computer system will have built-in controls that will flag the excessive overtime hours worked by bus operators, train operators, station managers and interlockers.”
3. The absenteeism rate for Controllable Leave (absenteeism that’s not included in the budget) in the Department of Operations for calendar years 2003 and 2004 measures between 4-5 percent. However, when measured in the number of standard man days (SMD) (days that employees did not work) the numbers for calendar years 2003 and 2004 respectively are 86,205 and 82,152.
4. The vacancy rates in the Department of Operations for calendar years 2003 and 2004 were between 5 and 6 percent throughout the year. However, when the vacancies are measured in actual number of vacant positions they measure between 400 and 465. When these vacancies are converted to SMD’s, the potential impact on increased overtime hours is quite significant.
5. The managers in BTRA and RTRA experience pressure when buses and/or railcars are not available for service or when there is nobody to operate the vehicles on the planned routes at the scheduled times.

#### Comments Regarding Overtime Hours Expressed by Superintendents, Supervisors and Budget Analysts

During the audit, Superintendents, Supervisors and Budget Analysts made comments to us concerning overtime hours as follows:

1. The overtime hours worked are necessary due to staff vacancies and staff absenteeism and in order to meet the safety and on-time service requirements of Metrobus and Metrorail.
2. Supervisors generally do not consider the costs associated with the assignment of overtime hours.
3. Rarely is the issue of overtime hours discussed in meetings.
4. None of the managers were aware of any meetings or discussions held on how to reduce overtime hours.
5. Reports on overtime hours worked are available but are rarely reviewed by management.
6. Neither the budget analysts nor the senior-level managers emphasize labor cost overruns to frontline managers.
7. Senior workers or workers who are close to retirement generally seek overtime work in order to increase their annual pension after retirement.

8. The experience of senior workers provides greater assurance that the work will be accomplished on-time and with less supervision.
9. It's reasonable to question the practicality and the effectiveness of workers who work more than 65 hours in one week or who work double shifts three or more times a week.
10. Coordinating the work and dealing with the difficult personalities of some workers tends to slow the pace of getting tasks accomplished.
11. Vacancies and absenteeism are the main reasons for assigning overtime hours
12. The timeline for filling vacant positions is too long.
13. The upgrade in computer equipment that's being implemented as part of the ITRP project will reduce the need for overtime hours in the Office of Traffic and Scheduling by approximately 75%.
14. There are some provisions in the union agreements regarding sick leave that are believed to contribute to some workers taking a minimum of 3 days off for each sick leave.
15. The provision in the union agreement that allows the worker's annual retirement pension compensation to be calculated using the average of the worker's highest four years of earnings motivates some workers to seek more overtime three to four years prior to retirement.
16. The bus and train operators who work a lot of overtime hours are usually those workers who are willing to work any run, are always available and are those workers who chose to work the extra board.

### **Justifications Given by Specific Offices for Overtime Hours**

#### **PLNT-Contract Maintenance and Station Enhancement**

- Escorts provided to accompany the contractors working on the track
- More advanced preparation for snow removal
- Increased hours worked to meet the seasonal work schedule for station enhancement projects

#### **BMNT-Northern**

- The high volume of buses to be cleaned and refueled overnight
- The high turnover rate among workers who clean and refuel the buses
- Severe weather during winter
- Special events

#### **BTRA-Bladensburg**

- High volume of daily open bus runs that must be assigned piecemeal to bus operators
- Absenteeism
- Vacancies

#### **OPAS-Traffic and Schedules**

- Frequency of requests for changes to the rail schedules for repair work and special events
- Lack of experienced workers on the staff

#### **CMNT-Alexandria**

- High volume of work due to increased services
- Vacancies
- Absenteeism
- Lack of experienced workers due to a high number of workers retiring

**TSSM- (Track and Structure / System Maintenance)**

- The addition of 3 rail stations
- An expansion of Metrorail revenue hours
- A reduction in the time (non-revenue working hours) needed to conduct track work

**RECOMMENDATIONS**

As a result of our review of overtime issues, we recommend the following improvements for the management of overtime hours:

**A. Vacancies and Absenteeism**

1. Representatives from OPER (BUS, RAIL, PLNT, ELES and OPAS), in conjunction with HRMS review the current process in OPER and HRMS for the recruiting and filling of vacant positions to better identify roadblocks and inefficiencies and to recommend process improvements to reduce the timeline for filling vacancies.
2. The monthly vacancy reports prepared by OPAS and those prepared by the personnel data clerks in each office in OPER be revised to include the following:
  - A. The effective date of the action (PAR, SPAR or other) taken that caused the position to become vacant.
  - B. A more detailed description of the status of the position in the recruiting and hiring process. The words used to describe the status of a position should include “what is happening” with a position and also “why it’s happening.”
  - C. An aging column that shows the number of days that a position has been vacant. The effective date of the action (PAR, SPAR or other) taken that caused the position to become vacant should be used as the starting date for aging the vacant position.
  - D. Segregate those vacant positions that are not actively being recruited from the actively recruited positions in the vacancy report. For example, positions on hold, on loan, cancelled or withdrawn should be reported in a separate category.
3. A copy of the monthly vacancy reports prepared by each office in OPER should be submitted each month to OPAS. OPAS should reconcile the vacancy reports submitted by each office with their own vacancy reports and resolve any differences.
4. In order to provide better information on the status of a position in the recruiting and hiring process, managers and supervisors in OPER should file a Requisition or “Statement of Intention” for each position immediately after the position becomes vacant. This information should be reported by each office in its monthly vacancy report.

***BTRA states that with the ever changing influx of Bus Operators daily, this process would not be more effective in filling vacancies rather it would create a business process that is not effective and is without benefit.***

5. In order to reduce the time-line in the recruiting and hiring process, each office in OPER should submit their “Requisition” for each vacant or new position as close as possible to the “action date” of the PARs or SPARs by submitting the “Requisition” immediately after the PAR/SPAR is filed when this is practical.

**B. Increased Management Attention**

6. Superintendents, directors, managers and supervisors in OPER should focus more of their managerial attention on the issue of the increasing assignment of overtime hours and the effect that overtime hours have on WMATA’s budget and its workforce. The overall objective of the newly focused attention on overtime hours should be to more effectively accomplish tasks and as a result, reduce the number of overtime hours assigned and to improve internal controls over the assignment of overtime hours.
7. Managers and supervisors should maintain detailed descriptions of the daily overtime work assignments performed by each worker. In addition to a worker’s start time and completion time a description should include the tasks that are assigned, an estimate of the time needed to perform each task, a job or project number associated with the task and the reasons for the assignment of the overtime, for example, due to an absent worker, a vacant position or an increase in services. With this information, OPER management can analyze overtime hours to determine their justification, reasonableness and the measures necessary to better control and/or reduce overtime.

***BTRA stated that these details are captured in Trapeze. Once Trapeze is up and running with the bugs out it should be able to produce a detailed report that is currently not available.***

8. The superintendents in OPER should conduct a review of the policy and procedures governing the assignment and distribution of overtime hours for “operators” in both BTRA and RTRA for the purpose of incorporating any current “best practices” and other changes that might contribute to an improvement in the process. The policy and procedures governing the assignment and distribution of overtime hours for “operators” should be reviewed and updated periodically as an ongoing part of the managerial oversight responsibilities of the superintendents and directors in OPER.

***BTRA stated that the policies and procedures are driven by the “Collective Bargaining Agreement” (CBA) unit. This process should be reviewed prior to negotiations to allow for input to be incorporated into the CBA.***

9. The managers and supervisors in the applicable offices in OPER should review the following practices that might be present in their offices: (1) the granting of compensatory time to employees who work on holidays and (2) the loaning of vacation time between employees. These practices should be discontinued where they are found not to be in compliance with the labor union agreements or with WMATA’s policies and procedures, grossly distort employee’s time and attendance records and/or contribute to an increase in the assignment of overtime hours.
10. MTPD and OPER reiterate and enforce the policy and/or union requirement that each police officer and/or “Operator” take a minimum of eight (8) hours of continuous off-duty time in each twenty-four (24) hour work period. Police officers and other workers are not in compliance with this policy when they work more than sixteen (16) hours in any 24 hour period. We also encourage OPER to consider the effect that fatigue from working an extended number of overtime hours

might have on the ability of workers to be effective at their jobs. We encourage MTPD to reiterate to the police officers the effect that fatigue can have on the ability of the police officers to be effective at their jobs.

11. The senior-level managers, superintendents and directors in OPER and MTPD work closer with the front-line supervisors and provide the supervisors with copies of the managerial analysis reports on overtime hours so that the supervisors might better understand the impact of their decisions to assign overtime hours on WMATA's operating budget and workforce. Advice, ideas and strategies should also be shared with the supervisors about ways to potentially control and reduce the use of overtime hours. Managers at all levels in OPER and MTPD should continuously communicate with the workers concerning overtime issues.
12. Managers at all levels in OPER take greater advantage of the reporting capabilities of its business systems and the support personnel. The budget analysts in OPER and the budget personnel specialist in OPAS should be asked to provide the managers with more detailed reporting and special reports on the nature of the overtime hours including helping OPER to verify that the overtime hours worked are justified.
13. The senior-level managers in OPER consider establishing a pilot program at a selected facility to implement certain management initiatives in regards to overtime hours. The overall purpose of the pilot program would be to acquire a better understanding of the nature of overtime hours and to improve internal controls. Any such pilot program should include an initiative to limit the number of overtime hours worked by each worker.

***BTRA states that this cannot be done because of the constraints of the CBA.***

14. We encourage the frontline managers and supervisors in the applicable offices in OPER to provide suggestions to the superintendents, directors, and senior-level managers on how to better control and reduce the overtime hours in order that they may better meet their responsibility to ensure that the human and financial resources of WMATA are employed in the most efficient and economical manner.
15. The general superintendents and directors ensure that employees are not allowed to take time-off from their regular scheduled work hours in order to participate in MIPing activities and that overtime hours are not assigned to workers in order to make-up for time-lost due to workers participating in MIPing activities.

### **C. Labor Agreement Initiatives**

16. The following provisions or sections within the union labor agreements (Local Union 689 of the "Amalgamated Transit Union AFL-CIO," and Local 922 of the "International Brotherhood of Teamsters,") be reviewed for their potential influence of workers to take additional sick leave, to seek excessive amounts of overtime work and to influence the sentiment of supervisors and managerial in OPER in favor of the policies of union management rather than the interest of WMATA as a whole. We encourage WMATA's general superintendents and directors of those offices and officials who participate in negotiating the provisions of the labor union agreements in OPER to consider the implications of these provisions on the number of overtime hours that are being assigned. We also encourage the general superintendents and directors to implement

management initiatives that would counter any such influence on the assignment of overtime hours in OPER.

The provisions or sections of the labor union agreements are:

- E. "Sick Leave Provision," Section 116 of the Agreement with Local Union 689
- F. The Inclusion of Overtime Pay in the Computation Used to Determine a Retiree's Annual Pension Benefits, Article V, Section 5.01, of the Agreement with Local Union 689, and
- G. Article III, Section 3.04, of the Agreement with Local Union 689 that allows WMATA's management level personnel to retain their union membership in the union administered retirement system (The Transit Employees Retirement Plan) after being promoted from the rank and file of the union membership.

17. Where it's feasible within the provisions of the labor union agreements, managers and supervisors should assign overtime hours based on individual tasks to be completed (with consideration given to available time standards) rather than routinely assigning overtime hours based on a regular 8-hour shift. We noted that the overtime hours worked generally approximated a full 8-hour shift. This possibly indicates that workers were assigned to work a full 8-hour shift of overtime when less than a full 8-hour shift might have been sufficient to accomplish the task. This approach to the assignment of overtime hours would help managers and supervisors to better control overtime hours and better utilize the work force.
18. OPER should evaluate the issue and consider the degree to which the retention of membership in the union retirement pension plan by its supervisors and managers who are appointed from the ranks of the union membership might interfere with or influence the managerial decisions made in the work place in regards to overtime hours.

#### **D. Improve Internal Controls**

19. The general superintendents and directors in the applicable offices in OPER discontinue the use of sign-in sheets to record workers' time and attendance and replace them with a time-stamp clock, where it's feasible.
20. The general superintendents and directors in OPER improve the internal controls in their office over the documentation of employees' time and attendance by ensuring that the functions of approving, recording and maintaining custody of the worker's time sheets is performed by separate individuals who are independent of each of the other functions.
21. The managers and supervisors in OPER need to ensure that each job or task assigned to the workers during regular hours or during overtime hours is given a job number that allows the timekeepers, the accounting office or other interested office to properly identify and classify the types of work that are being performed.

**E. Improve Administration and Control of Budget Related Issues**

22. The superintendents and directors in OPER take full advantage of the research and reporting capabilities of the budget and personnel specialists within OPAS and the budget analysts that are assigned to specific offices in OPER. The individuals who work these positions are very familiar with the operating data on overtime hours and can be helpful in identifying trends and preparing projections for managerial analysis and decisions. Issues that affect the assignment of overtime hours such as budgetary funding, budget overruns, employees' absenteeism, staff vacancies, increases in Metrobus and Metrorail services and the effect of fatigue on the workers should all be a part of management evaluations and reviews of data on overtime.
23. FIMA, with input from OPAS, when preparing WMATA's annual operating budget, include a separate line item showing the amount of hours and dollars budgeted for scheduled overtime as well as non-scheduled overtime. Currently, only non-scheduled overtime is included as a separate line item in WMATA's annual operating budget.