To: **The Honorable Phil Mendelson**
                Chairman
                The Committee of the Whole
                The Council of the District of Columbia

From: **Geoffrey A. Cherrington**
                Inspector General
                Washington Metropolitan Area Transit Authority

Date: **March 5, 2021**

Re: **Performance Oversight Hearing, March 15, 2021**

                Answers of the Office of Inspector General to Committee
                Questions to WMATA

INTRODUCTION

The Office of Inspector General (OIG) of the Washington Metropolitan Area Transit Authority (WMATA) welcomes this opportunity to respond to certain questions that the Committee has propounded to WMATA in connection with the Committee's March 15 Performance Oversight Hearing. OIG also appreciates this opportunity to describe briefly OIG's responsibilities and authorities as an independent unit of WMATA.

The Committee requested certain information from WMATA in Questions 7 (a) and (b), 10 (a), (b) and (c), and 15 that touch directly on OIG's duties and its independent role in supporting WMATA's good stewardship and accountability to the public. Accordingly, OIG is pleased to provide answers to those questions below. These answers are current as of March 1, 2021. They are offered on behalf of OIG only. WMATA management may provide additional responsive information to some or all of those questions.

BACKGROUND: THE OFFICE OF INSPECTOR GENERAL

WMATA is an interstate compact agency created by the District of Columbia, the Commonwealth of Virginia, and the State of Maryland as signatories to the WMATA Compact. The Compact provides the basic statutory authorities of WMATA and of OIG. It is codified in the laws of DC, Virginia and Maryland, as well as the Public Laws of the United States.[1]

Section 9(d) of the Compact establishes OIG as "an independent and objective unit of the Authority" that:

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[1] See Washington Metropolitan Area Transit Authority Compact, as amended. D.C. Code § 9-1107.1; Md. Code Ann. Transp. §10-204; Va. Code Ann. §§ 56-529 and 56-530; approved by Congress, Pub. L. No. 111-62, 123 Stat. 1998 (Aug. 19, 2009).

- "conducts and supervises audits, program evaluations, and investigations relating to Authority activities";

- "promotes economy, efficiency, and effectiveness in Authority activities";

- "detects and prevents fraud and abuse in Authority activities"; and

- "keeps the Board fully and currently informed about deficiencies in Authority activities as well as the necessity for and progress of corrective action."

In performing these four areas of responsibility, OIG has broad authority to conduct and supervise audits, evaluations and investigations of all WMATA activities.

In Resolution 2006-18 (April 20, 2006), the WMATA Board of Directors directed that OIG "shall have access to all Authority records and the full cooperation of staff when necessary for performing the functions and responsibilities" of OIG, and "shall enjoy the greatest possible independence and freedom from interference, consistent with the WMATA Compact, including initiating, carrying out and completing any audit or investigation and issuing any subpoena in the course of an audit or investigation."

The Compact states no exceptions to OIG's oversight authority, whether the matters under review involve financial, operational, police, cybersecurity, or other WMATA activities. OIG has performed oversight in all of these areas.

ANSWERS TO QUESTIONS RELATING TO OIG'S AREAS OF ACTIVITY

Question 7. **(a) Please list and describe any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed at any time in fiscal years 2020 or 2021 (as of March 1, 2021).**

Answer:

WMATA's fiscal year is from July 1 to June 30. Fiscal year 2020 began on July 1, 2019. Fiscal year 2021 will end on June 30, 2021. During fiscal years 2020 and 2021 (as of March 1, 2021), OIG completed the following audits, investigations, management alerts, management assistance reports, and special projects regarding WMATA activities:

I. Completed Audits

Except as stated below, OIG audits are posted on OIG's public website, https://www.wmata.com/about/inspector-general/, and are freely available to all.

OIG-20-01 Audit of WMATA's Contracting Officer's Technical Representatives – Issued September 19, 2019

The audit objective was to determine whether WMATA's COTRs are performing adequate oversight of contract activities. OIG found that WMATA lacked comprehensive and cohesive program management; did not provide an adequate training program for COTRs assigned to high risk contracts; and did not require COTRs to follow policies and procedures.

OIG-20-04 Audit of WMATA's Rail Performance Monitoring System – Issued October 31, 2019

The audit objective was to determine whether the Rail Performance Monitoring (RPM) System was functioning as intended. The RPM system is an inventory management system that allows operators to perform rail yard and terminal management over a fleet of 1,260 rail cars in eight rail yards. In addition, OIG assessed contract administration controls supporting the RPM system. OIG observed that the RPM had system glitches, such as occasional blank screens and momentary application freezing. OIG found, however, that these glitches were inconsequential to the overall functionality of the RPM system and had no impact on train movement, because the RPM system does not have the capability to control train movement. OIG also found opportunities for WMATA to strengthen contract administration controls over the RPM system.

OIG 20-05 Audit of Metrorail Stations Garage Cleaning – Issued December 31, 2019

The audit objective was to assess the effectiveness of Metrorail station garage cleaning. OIG observed unsafe and filthy conditions at ten Metrorail station garages over a 20-month period. These conditions occurred because in many instances contracted cleaning personnel were not performing their garage cleaning duties. OIG also found a lack of oversight by WMATA and contractor officials. OIG estimated that WMATA spent over $2.2 million for contracted cleaning services that were not performed over a two-year period.

OIG 20-07 Audit of WMATA's Data Compromise Response Capabilities – Issued June 24, 2020

The audit objective was to determine whether WMATA had developed a comprehensive Breach Response Plan, tested the plan, and established an effective data recovery process. OIG found that the IT Department had developed and tested information security contingency plans, including a breach response plan and disaster recovery plans, and had established data recovery processes. OIG also found, however, that opportunities existed to improve the breach response plan and the testing process as well as coordination among stakeholders.

OIG 21-01 Audit of WMATA's Replacement of Remote Terminal Units – Issued November 16, 2020

The audit objective was to determine whether WMATA's Remote Terminal Unit (RTU) replacement project was efficient, economical, and provided the required solution. An RTU is a microprocessor-based electronic device used to connect field devices to supervisory control and data acquisition systems. WMATA uses RTUs to communicate the status of field devices, such as interlocking and signal equipment, as well as to process train-to-wayside communication data. OIG found that WMATA had not established an overall RTU replacement project, or fully integrated and coordinated the activity. Instead, WMATA had initiated several individual RTU projects. OIG found that the lack of an integrated and fully coordinated enterprise-wide RTU replacement project put individual project components at risk and created potential cost inefficiencies.

Contract Audits

OIG performed 58 audits of WMATA contracts with third-party contractors during FY 2020, and 25 such audits during FY 2021 up to March 1, for a total of 83 contract audits. These audits cover

a broad range of financial and non-financial subjects, depending on the scope and purpose of the audit based on the needs of WMATA management and OIG's judgment of the appropriate level of audit effort. They include the examination, review, or performance of agreed-upon procedures on a subject matter, or an assertion about a subject matter and reporting on the results. Some key types of contract audits issued by OIG include Buy America, pre-negotiation, billing rate, and financial capability reviews. Because these reports involve contractor proprietary information, the reports are not posted on the OIG website and are not publicly distributed.

OIG Oversight of the Annual Financial Statement Audit and Single Audit

To fulfill its responsibilities under the Compact, Board Resolution 2006-18, and its contract with WMATA's external auditors for ensuring the quality of audit work performed, OIG monitored the work of the external auditors on WMATA's FY 2020 and 2019 Financial Statement Audit and Single Audit during the period in question.

II. Completed Investigations

OIG reports of investigations are not published because of the need to protect the confidentiality of sources and witnesses, the privacy interests of individuals subject to or involved in the investigations, and the otherwise sensitive content of the reports. Below are general descriptions of investigations completed and reports issued during the period in question.

Overtime Abuse – Issued July 11, 2019

OIG investigated a complaint of overtime abuse in the Office of Rail Transportation, alleging supervisors were allowed to leave their respective assignments early while working overtime during the 45-day Red Line shutdown of the Brookland and Rhode Island Avenue Stations. OIG substantiated the complaint and identified inadequate internal controls over timekeeping.

Alleged Whistleblower Retaliation – Issued December 7, 2019

OIG received a complaint alleging whistleblower retaliation. The complainant alleged being denied a position due to filing a complaint with the Department of Safety & Environmental Management. The OIG investigation did not substantiate the allegation of whistleblower retaliation.

Alleged Whistleblower Retaliation – Issued January 30, 2020

OIG received a complaint alleging that an employee was removed from service after raising concerns about a supervisor's direction to obtain track rights under false pretenses. OIG substantiated the complaint.

Abuse of Authority – Issued February 13, 2020

OIG was alerted to suspicious emails by a Procurement Contract Administrator (CA). The CA used access to privileged contract and employment information to entice women into sexual relationships. OIG found sexually explicit material on the CA's work computer in violation of WMATA policy. As a result of the investigation, the CA was fired.

Conflict of Interest – Issued July 16, 2020

OIG received information suggesting a WMATA employee may have had unreported outside affiliations with two businesses that could conflict with the employee's official WMATA duties. OIG's investigation determined that the employee failed to adhere to WMATA's Code of Ethics by not disclosing real property interests and outside employment.

Conflict of Interest – Issued October 27, 2020

OIG initiated an investigation regarding ethics violations involving inappropriate acceptance of gratuities by management personnel in the Office of Track and Structures. OIG's investigation also found evidence that the practice of accepting gratuities from WMATA vendors may be more pervasive than this occurrence.

Duplicate Identification Badges – Issued November 5, 2020

An OIG investigation determined that several WMATA employees used or were in possession of duplicate identification badges from September 2018 through May 2019. As a result of OIG's investigation, 19 duplicate badges were recovered from WMATA employees, including supervisory, line level, contractor, and safety personnel. OIG found evidence that employees used duplicate badges for a range of improper purposes, particularly timekeeping fraud. OIG also determined that entry points to several WMATA facilities were vulnerable due to inconsistent adherence to security protocol.

Suspicious Payroll Deductions – Issued January 6, 2021

The OIG investigated a complaint about suspicious payroll deductions discovered during an audit of WMATA's payroll system. The audit revealed that several WMATA employees had deposited portions of their paychecks into the same account each pay period. OIG's investigation revealed that a WMATA employee provided payday loan services to coworkers in violation of WMATA policies. The employee's conduct was also found to violate Maryland consumer protection laws. As a result of OIG's investigation, the employee was ordered to pay a civil penalty, pay restitution to each victim, and cease collecting outstanding debt in the amount of $55,560.00.

<u>**III. Completed Management Alerts**</u>

OIG issues Management Alerts when appropriate to advise WMATA management of a matter requiring immediate management attention and possible corrective action, or that management otherwise needs to know promptly, even as OIG continues to audit or investigate the matter and may still be developing the facts. A Management Alert may be issued even before OIG has had an opportunity to develop specific recommendations to management. Some but not all Management Alerts are published on the public OIG website, depending on whether the contents are publicly releasable under applicable law and WMATA policies. Some of the Management Alerts described below are available on the website.

Alleged Procurement Fraud – Issued July 9, 2019

During a related investigation, OIG learned that professional engineers in the Department of Design & Construction provided unlicensed individuals access to and responsibility for affixing the licensee's electronic seals and signatures to WMATA certification documents. As a result of the

OIG alert, WMATA management initiated procedures to restrict access to electronic seals and signatures.

Results of Core Testing for Concrete Panels Silver Line Phase 2 – Issued August 16, 2019

OIG issued a Management Alert regarding safety concerns about the manufacturing and installation of concrete panels, and the extraordinary cost, maintenance, and operational issues for the new Silver Line.

Silver Line Phase 2 Track Ballast – Issued August 19, 2019

OIG issued a Management Alert because of concerns about the safety, reliability, and performance of inadequate track ballast in the rail yard for Phase 2 of the Silver Line construction. OIG found that these issues, if not corrected, would result in extraordinary cost, maintenance, and operational problems once WMATA takes ownership and control of the Project.

COVID 19 Concerns – Issued May 8, 2020

OIG issued a Management Alert regarding the adjustment of its priorities during recovery from the COVID 19 virus. OIG outlined areas on which it plans to focus such as risks and exposures associated with funding; assistance in maintaining strong financial controls for the receipt and accounting of CARES Act funding; and reviewing key processes and activities involving the allocation and prioritizing of resources that can further validate public confidence in WMATA's efforts to return safely to full revenue operations.

Misuse of WMATA Computer System – Issued September 17, 2020

OIG issued a Management Alert regarding abuse of WMATA's Electronic Access Policy. During four recent OIG investigations, WMATA employees were found to have been using WMATA-issued electronic devices and/or WMATA networks to access prohibited websites containing pornographic or sex-related material. The OIG recommended several corrective actions to remediate this problem.

Firearm Criminal Charges – Issued December 22, 2020

OIG issued a Management Alert regarding an MTPD employee who had two open misdemeanor charges for reckless handling of a firearm and obstruction of justice. The employee had been hired to manage an office in MTPD.

Drug Use – Issued December 22, 2020

The OIG issued a Management Alert regarding an anonymous complaint alleging that an employee had admitted to smoking crack and using cocaine.

IV. Completed Management Assistance Reports

OIG may issue Management Assistance Reports on matters requiring immediate management attention when OIG has had an opportunity to develop facts sufficient to describe the issue as well as to formulate recommended corrective action. A Management Assistance Report may be issued even though OIG continues to audit or investigate the matter or otherwise has unfinished

work underway with respect to the matter. Management Assistance Reports may not be published on the public OIG website if their contents are not publicly releasable under applicable law and WMATA policies. The Management Assistance Reports described below were not published on the public OIG website.

Cybersecurity – Issued October 7, 2019

OIG issued a Management Assistance Report regarding a cybersecurity assessment conducted with assistance from the Department of Homeland Security.

Transformer Concerns – Issued February 28, 2020

OIG issued a Management Assistance Report regarding seven transformers installed on the Blue/Yellow line during the shutdown in 2019 that may cause potential safety concerns and service disruptions. A complaint reported that a transformer installed during the shutdown prematurely failed. The complaint also related that several WMATA procurement and engineering personnel expressed initial concerns about the vendor. OIG made five recommendations to address these issues.

Phishing Schemes – Issued April 3, 2020

OIG issued a Management Assistance Report to alert WMATA management about multiple complaints involving fraudulent invoice phishing schemes targeting WMATA and its vendors.

V. Completed Special Projects

OIG may undertake a Special Project when a matter merits in-depth evaluation but, because of the subject matter, is not well suited or appropriate to be handled as an audit or investigation. Reports of Special Projects are typically posted on the public OIG website, unless their contents are not publicly releasable under applicable law and WMATA policies. Several of the reports described below are available on the website.

Inventory Practices – Issued January 6, 2020

OIG issued a report regarding supply chain inventory practices. OIG determined that WMATA lacked repeatable processes and oversight for management to mitigate risks of fraud, waste, and abuse. OIG made five recommendations to address the issues identified in the report to better manage inventory valued at $144 million during the review period.

Silver Line Phase 2 Interim Report – Issued May 5, 2020

OIG provided an independent assessment of critical issues affecting the completion of the Dulles Metro Rail Silver Line – Phase 2 project. OIG's assessment raised concerns regarding critical issues affecting the completion of the Project. OIG's report focused on six areas: Effectiveness of the Quality Management Program Audit; Criticality of the Systems Integration Plan; Automatic Train Control; Effectiveness and Resolution of Issues Documented in the Non-Conforming Reporting Systems; Ongoing Unresolved Rail Yard issues; and Spare Parts. OIG concluded that these issues derive from two shortcomings: the Project Contractor's Quality Management Program's ineffectiveness and inconsistency of the Project Contractor's Quality Management Program.

Silver Line Concrete Panels – Issued September 4, 2020

OIG completed its evaluation of potential defects in concrete panels installed at the above-grade stations on the Silver Line Phase 2 project. The inspection identified 184 panels that had 342 cracks. The inspection also identified evidence of at least one crack larger than .005 inches and, in some cases, multiple cracks on a panel that are required to be repaired. OIG made several recommendations to mitigate the effects of the cracks.

Bike Parking Racks – Issued October 16, 2020

Based on public complaints and a United States Senate oversight committee's request, OIG reviewed the Bike & Ride projects at three Metro stations, costing more than $5.9 million. The review identified a lack of project coordination and weaknesses in contract awards, contract oversight, record retention, and communications. The report also identified significant project schedule delays causing the projects to incur additional costs. OIG made seven recommendations for improvement.

Washington Metro Safety Commission (WMSC) Complaint – Issued October 16, 2020

The Washington Metrorail Safety Commission reported allegations of misconduct at the WMATA Rail Operations Control Center involving sexual harassment, sexual assault, and alcohol abuse by a manager while at work. OIG could not substantiate the allegations of sexual harassment and sexual assault because the WMSC declined to identify the individuals who reported the allegations, and because OIG did not find any other evidence to substantiate those allegations. Further, OIG found no credible evidence to substantiate the allegation of alcohol abuse but, to the contrary, found credible evidence contradicting that allegation.

Metro Access – Issued February 17, 2021

OIG received a complaint from U.S. Congressman Gerald Connolly's office regarding Metro Access performance. The complaint raised concerns about the inefficient routing of vehicles, routes taken, and lengthy travel times. OIG made five recommendations for improvement on these issues.

Question 7. (b) Please list and describe any ongoing investigations, audits, or reports of your <u>agency or any employee of your agency</u>.

Answer:

I. <u>Open Audits</u>

Cybersecurity over Rail

Metrorail uses many electronic systems to ensure the safe and efficient operation of the rail transit system. Critical activities operated through the rail system include control of trains, power, station ventilation, voice and data communications, and monitoring of gas and fire sensors. Metrorail has also been designated by the Department of Homeland Security as a critical infrastructure. The audit objective is to determine whether cybersecurity measures are in place and effective to protect Metrorail against cyber threats.

Control and Accountability of Fuel

WMATA manages over 1,500 non-revenue vehicles and spends about $1.2 million on fuel each year. The audit will examine fuel purchases to ensure that fuel for WMATA vehicles is being properly used and accounted for. Topics will include the cost of fuel and whether bulk discounts are being obtained. Because fuel is a high value asset susceptible to theft, control and accountability are essential. The audit objective is to determine whether WMATA has adequate controls and accountability of fuel.

Improper Payments

Broadly defined, improper payments are those made for the wrong amount, to the wrong entity, for the wrong reason, or at the wrong time. During FY 2019, WMATA made $1.1 billion in capital and $1.5 billion in operating payments through its accounts payable system. The audit will help ensure the elimination and recovery of payments improperly made by WMATA by targeting errors as well as waste, fraud, and abuse. The audit objective is to identify improper payments in WMATA activities and determine whether WMATA has adequate controls in place to minimize improper payments.

WMATA's Defined Benefit Pension Plans

WMATA has five defined benefit pension plans, three of which are still open to new participants represented by certain unions. WMATA employees were eligible to join the various closed plans based on their union representation or lack thereof. At the end of FY 2019, there were 18,970 participants in these plans. The total pension liability was $5.1 billion of which $837 million was unfunded. In FY 2019, $285 million in benefit payments were made to retirees. These pension plans are governed by their own Boards of Trustees, which are comprised of members designated by WMATA management and union management. The audit objective is to assess whether the oversight of pension programs and funds is effective.

Health and Welfare Funds (L689 & L922)

The Health & Welfare Funds support plans that offer members of unions L689 and L922 a comprehensive package of benefits including medical, prescription drug, dental, vision, life, accident, and long-term and short-term disability insurance. In FY 2019, WMATA paid approximately $236.7 million for these benefits to 11,508 employees. The Health and Welfare Plans are governed by their own Boards of Trustees, which are comprised of members designated by WMATA management and union management. The audit objective is to assess whether oversight of the funds is effective.

WMATA's Mission Critical Legacy Systems

Modern IT infrastructures are core components of many small, medium, and large enterprises. As technology quickly evolves, it is important for enterprises to implement, maintain, and utilize up-to-date systems. However, systems in use often become outdated and fall under the category of legacy systems. Such hardware and software legacy systems are often critical systems needed for the enterprise's core, daily operations. It is necessary to identify existing legacy systems that an enterprise uses, and to determine if – and how – the legacy systems should be upgraded. The audit will (1) identify the mission critical legacy systems, (2) determine whether plans exist to

modernize and update these systems, and (3) determine the adequacy of the modernization plans.

WMATA's COVID 19 Grant Expenditures

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is a $2.2 trillion economic stimulus bill passed and signed into law on March 27, 2020, in response to economic fallout from the Coronavirus Disease 2019 (COVID 19) pandemic. WMATA was awarded $876.8 million of these funds. On December 27, 2020, a coronavirus relief bill was passed for $900 million that was the sequel to the CARES Act and was called the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSAA). Based on WMATA's amended budget as of January 14, 2021, WMATA was awarded $610 million of these funds. The Federal Transit Administration (FTA) made available $10 million in FY 2020 funds under the Public Transportation Innovation Program to finance the Public Transportation COVID 19 Research Demonstration Grant Program. FTA awarded $600,000 to WMATA. The audit objective is to determine whether WMATA's claimed grant costs were allocable, allowable, and reasonable in accordance with the grant terms and conditions.

II. <u>Open Investigations</u>

OIG does not confirm or comment on open OIG investigations in order to protect sensitive information, the privacy of witnesses and those under investigation, and the integrity of the investigative process.

III. <u>Open Special Projects</u>

Comparing Operations and Budgets of WMATA and Chicago Transit Authority

Based on a request from the WMATA Board of Directors, OIG is conducting a review that compares the operations and budgets of WMATA and the Chicago Transit Authority. The review includes identifying the similarities and differences in each agency's operations and funding.

Procurement Practices

Based on a request from the Board of Directors and anonymous complaints received through OIG's hotline, OIG is reviewing procurement practices related to three specific contracts. Two of these contracts have already been awarded, and one is in the process of being awarded.

WMATA's COVID 19 Response

OIG is conducting a review of the effectiveness of WMATA's COVID 19 response.

MTPD Promotion Practices

Based on a complaint received through OIG's hotline, OIG is conducting a review of the Metropolitan Transit Police Department's (MTPD) promotion practices.

MTPD's Internal Affairs Practices

OIG is conducting a review of MTPD's internal affairs practices and procedures.

Question 10. (a) Please describe the agency's procedures for investigating allegations of sexual harassment committed by or against its employees.

(b) If different, please describe the agency's procedures for investigating <u>allegations of misconduct</u>.

Answer:

With respect to Questions 10 (a) and (b), OIG notes that, despite OIG's broad authority to investigate all WMATA activities, OIG in practice defers to WMATA management to investigate certain "management issues," and will generally refer to management any complaints or allegations that OIG receives on such issues. Examples of such management issues include:

i.   matters for which there are other established procedures for seeking redress (e.g., civil rights complaints, violence in the workplace, and challenges to personnel and most disciplinary actions;
ii.   general complaints about employee or office morale;
iii.   individual attendance issues (e.g., tardiness, misuse of leave or absence without leave, but not including misrepresenting or falsifying leave and attendance records);
iv.   violations of Metro's policies regarding use of alcohol or drugs; and
v.   insubordination.

As an exception to this general practice, OIG may investigate these types of issues rather than refer them to management if there is an allegation of widespread or systemic misconduct or abuse. Such was the case, for example, when OIG investigated allegations of sexual harassment and sexual assault at WMATA's Rail Operations Control Center, discussed above.

Apart from these types of management issues, OIG routinely investigates allegations of misconduct by specific individuals involving a wide range of matters. OIG investigations may address circumstances that could constitute federal, state, or local crimes relating to WMATA activities, and other wrongdoing or misconduct of a civil or administrative nature, including allegations of fraud, waste, or abuse relating to WMATA programs or operations. OIG may investigate conduct by WMATA employees, consultants, or contractors relating to WMATA activities as well as actions by individuals or entities outside WMATA but relating to WMATA programs, operations or activities. These investigations may lead to criminal prosecution, civil penalties, disciplinary action, and/or administrative action.

Upon receipt of an allegation of misconduct, OIG logs the complaint into its case management system, and assigns the matter a case number and a Special Agent to conduct the investigation. The Special Agent prepares an investigative plan identifying preliminary steps that will be taken to assess the alleged misconduct. The Special Agent will conduct interviews and assemble evidence as appropriate. Throughout the investigation, the Special Agent will keep his/her manager apprised of the investigation's developments. The OIG manager will keep the Deputy Inspector General apprised of the progress and the latter, in turn, will apprise the Inspector General, who retains overall authority over the conduct of the investigation. If evidence of criminal conduct is found, OIG will contact an appropriate prosecutorial office, which will decide whether to prosecute those involved in a court of competent jurisdiction.

If administrative violations exist, OIG will report those violations to WMATA management at a time OIG deems appropriate. At the completion of the investigation, OIG will issue a Report of

Investigation (ROI) to WMATA management, presenting the findings of the investigation and the evidence gathered that substantiates or fails to substantiate the allegations.

Matters may also be referred to the Offices of Audits or Special Projects if system weaknesses or widespread shortcomings are found. Those offices will conduct the appropriate audit or evaluation, if necessary.

OIG may open investigations based on information received from various sources, including confidential sources, referrals or requests for assistance from other government agencies, and complaints filed through the OIG Hotline (1-888-234-2374, hotline@wmataoig.gov). Hotline complaints may be submitted confidentially or anonymously, although OIG encourages complainants to provide their contact information so that OIG may follow up and investigate more thoroughly. OIG also maintains a robust data analytics capability and may initiate investigations based on an analysis of various data bases and sources.

Question 10. (c) List chronologically and describe each allegation of sexual harassment and misconduct received by the agency in FY 2020 and FY 2021 (as of March 1) and <u>the resolution of each as of the date of your answer</u>.

Answer:

During fiscal years 2020 and 2021, OIG received three complaints of sexual misconduct. Two were referred to WMATA management for review and action. OIG investigated the third complaint, referred by WMSC, but could not substantiate the allegations, because the WMSC did not provide sufficient information and OIG could not otherwise identify supporting facts. That matter is discussed above.

During fiscal years 2020 and 2021, OIG received 89 allegations of other misconduct by WMATA employees. OIG either opened an investigation, closed the matter because it was unsubstantiated, or referred the matter to WMATA management for appropriate action.

Allegations of misconduct received and investigated by OIG during the relevant period are described in OIG's answers to Question 7 (a) above, if the investigated has been completed.

Question 15. Please list all outstanding audit recommendations from the WMATA Office of the Inspector General, the status of each recommendation, and the anticipated date <u>of completion</u>.

Answer:

The requested information is presented in Tables 1 and 2 below.

Table 1: Summary of Audit Reports with Open Recommendations as of March 1, 2021

Report Number	Report Title	Date Issued	Awaiting Corrective Action Plan	Open	Final Action Completed	Total Recommendations
OIG 18-08	Audit of WMATA's IT Incident Response Process	06/20/2018		2	5	7
OIG 19-02	Audit of WMATA's Security Over Publicly Accessible Web Applications	09/05/2018		1	7	8
OIG 19-08	Audit of Cybersecurity Requirements in WMATA's Procurements	03/05/2019		1	5	6
OIG 19-09	Audit of WMATA's Kronos Implementation Project	04/17/2019		1	5	6
OIG 19-10	Audit of WMATA's End-of-Service Life Operating System Software	05/01/2019		3	3	6
OIG 19-11	Audit of WMATA's Software Asset Management Program	06/19/2019		1	0	1
OIG 20-04	Audit of WMATA's Rail Performance Monitoring System	10/30/2019		1	2	3
OIG 20-07	Audit of WMATA's Data Compromise Response Capabilities	06/24/2020		1	3	4
OIG 21-01	Audit of the Replacement of WMATA's Remote Terminal Units	11/16/2020		9	0	9

Table 2: Audit and Evaluation Reports with Open Recommendations as of March 1, 2021

Report Number	Report Title	Date Issued	Outstanding Recommendations	Expected Completion Date	Management Responses and OIG's Analysis
OIG 18-08	Audit of WMATA's IT Incident Response Process	06/20/18	1. Develop and implement a comprehensive incident response program. (Action: CIBO)	04/30/21 10/30/20 06/30/20 12/31/19 06/28/19 03/29/19	**Current Status: In Progress/Delayed** Management Response: 1. IT will implement an IT Incident Management Policy. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when the policy is developed and implemented.
			4. Develop and implement an enterprise-wide baseline logging standard. (Action: CIBO)	04/30/21 10/30/20 06/30/20 12/31/19 06/28/19 03/29/19	**Current Status: In Progress/Delayed** Management Response: 4. An enterprise-wide baseline logging standard will be included as part of the IT Incident Management Policy. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when the policy is developed and implemented.
OIG 19-02	Audit of WMATA's Security Over Publicly Accessible Web Applications	09/05/18	3. Implement additional hardware, software, and segmentation controls based on best practices to strengthen security over all publicly accessible web applications. (Action: CIBO)	04/30/21 06/30/20 12/31/19 07/31/19	**Current Status: In Progress/Delayed** Management Response: 3. The implementation of the Web Application Firewall is currently an ongoing project. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when the security controls have been implemented and verified by OIG.
OIG 19-08	Audit of Cybersecurity Requirements in WMATA's Procurements	03/05/19	2. Conduct cybersecurity risk assessments; identify and test the effectiveness of controls; and implement mitigation strategies for applicable existing WMATA contracts. (Action: CIBO)	09/30/21 06/30/20 09/30/19 08/30/19	**Current Status: In Progress/Delayed** Management Response: 2. Funding for a penetration test of the 7000-series railcars has been approved, which should identify any severe cybersecurity vulnerabilities and allow WMATA to begin the process of remediation. After completion of recommendations 4, 5, and 6, this recommendation will be addressed by the review and assessment of the top 10 highest risk legacy procurements found at the Authority. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when actions have been completed and verified by OIG.
OIG 19-09	Audit of WMATA's Kronos Implementation Project	04/17/19	6. Conduct targeted training that explains the benefits and impacts of the new processes and system. (Action: CIBO and CFO)	06/30/21 12/31/19 09/30/19	**Current Status: In Progress/Delayed** Management Response: 6. IT will develop a tailored training that directly reflects the process and day-to-day duties that users must perform using Kronos. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when actions have been completed and verified by OIG.
OIG 19-10	Audit of WMATA's End-of-Service Life Operating System Software	05/01/19	3. Conduct a software assessment/inventory and periodic scans on all enterprise software assets. (Action: CIBO)	06/01/22 09/01/20 05/01/20	**Current Status: In Progress/On Target** Management Response: 3. Management agrees with the recommendation; however, this is a multi-year effort that includes identifying necessary funding sources.

Table 2: Audit and Evaluation Reports with Open Recommendations as of March 1, 2021

Report Number	Report Title	Date Issued	Outstanding Recommendations	Expected Completion Date	Management Responses and OIG's Analysis
			4. Require system owners and contractors to seek waivers or remediate EOSL O/S software across the enterprise. (Action: CIBO)	06/01/22	Management Response: 4. IT will require its tenants to self-identify EOSL systems and request waivers.
			5. Develop a report for IT management that provides remediation or risk mitigation statuses on EOSL O/S software. (Action: CIBO)	09/01/22 08/01/20	Management Response: 5. Completion of this recommendation will take 3 months after the completion of recommendation 3 above. OIG Analysis: Management's ongoing actions meet the intent of these recommendations. Recommendations will be closed when actions have been completed and verified by OIG.
OIG 19-11	Audit of WMATA's Software Asset Management Program	06/19/19	1. Develop and implement a comprehensive Software Asset Management Program that corresponds with industry best practices. (Action: CIBO)	06/30/22 10/01/20 06/01/20	Current Status: In Progress/On Target Management Response: 1. Metro-IT will implement a holistic IT Asset Management Program to address the software asset management related issues identified by OIG. There are numerous actions that need to take place to implement this program, consequently it will not fully implement until the end of FY 2022. IBOP will provide OIG an update on June 1, 2020. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when actions have been completed and verified by OIG.
OIG 20-04	Audit of WMATA's Rail Performance Monitoring System	10/30/19	3. Direct the PRMT to formally assign appropriate COTR coverage to contract FQ15124 or subsequent new contracts. (Action: EVP IBOP)	02/26/21 11/30/20 08/31/20 04/30/20	Current Status: In Progress/On Target Management Response: 3. A single COTR is not feasible; however, in the new contract a designated COTR will be assigned to each of the three program areas. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when actions have been completed and verified by OIG.
OIG 20-07	Audit of WMATA's Data Compromise Response Capabilities	06/24/2020	1. Implement controls to mitigate staff shortage until such time that ITCS can fully staff the Incident Response Program. (Action: EVP-IBOP)	05/30/21	Current Status: In Progress/On Target Management Response: 1. Over the course of the audit, the Office of Cybersecurity (ITCS) has restructured their organization and hired four new staff members to support the Incident Response Program. With a hiring freeze in force, due to impacts from the revenue shortages related to Covid-19, a status update will be provided to OIG on May 30, 2021. In the meantime, the externally managed Security Operations Center is operating as a mitigating control. OIG Analysis: Management's ongoing actions meet the intent of this recommendation. Recommendation will be closed when action has been completed and verified by OIG.
OIG 21-01	Audit of the Replacement of WMATA's Remote Terminal Units	11/16/2020	1. Revise the scope of the project to eliminate the interim IT RTU replacement project and put the $62.9 million to better use. (Action: EVP CAPD, EVP IBOP and EVP SPPM)	06/30/21	Current Status: In Progress/On Target Management Response: 1. CAPD, SPPM and IBOP will revise the scope to focus resources on the migration to the new distributed architecture, eliminating the interim solution. CAPD, in collaboration with IBOP, is developing the comprehensive program of work required to complete the migration and will advise SPPM on programming changes necessary for incorporation into the overall capital program in FY2022.

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			2. Review the IT RTU replacement contract to determine how it can be leveraged to address a permanent solution. (Action: EVP CAPD and EVP IBOP)	08/31/21	Management Response: 2. CAPD and IBOP will review the contract to determine if/how it can be leveraged to address the permanent solution, including the need to develop comprehensive program strategy documents, including scope definitions for the associated projects and clarification of the interfaces.
			3. Complete the enterprise-wide architecture analysis and develop corresponding requirements for the overall RTU replacement project to ensure the implementation of the required solution. (Action: EVP CAPD, EVP SPPM and EVP IBOP)	10/31/21	Management Response: 3. Metro will complete the permanent future state high-level SCADA architecture. Metro will finalize the details and document the long-term plan (as noted in Recommendation 4). In addition, Metro (CAPD, SPPM, and IBOP) will develop the corresponding requirements for overall RTU replacement.
			4. Develop and implement a long-term ICS/SCADA modernization strategic plan with an associated safety risk assessment which would include RTU replacement and train control systems upgrade. (Action: EVP CAPD and EVP IBOP)	06/30/21	Management Response: 4. CAPD and IBOP will develop the long-term ICS/SCADA modernization strategic plan.
			5. Develop oversight controls such as an executive steering committee or technical architecture oversight committee across projects to oversee the implementation of RTUs enterprise-wide. (Action: EVP CAPD and EVP IBOP)	02/26/21	Management Response: 5. CAPD, SPPM and IBOP will establish an executive steering committee.
			6. Implement controls that require critical stakeholders and process owners to sign off on key deliverables and project stages. (Action: EVP CAPD and EVP IBOP)	12/31/21	Management Response: 6. The controls outlined above currently exist throughout the organization and will be aligned to create clarity and instill accountability.
			7. Develop an enterprise-wide project management communication plan to improve collaboration of key stakeholders. (Action: EVP CAPD and EVP IBOP)	06/30/21	Management Response: 7. CAPD and IBOP will formalize the plan as part of the ICS/SCADA modernization strategic plan.
			8. Implement security controls across the RTU enterprise-wide project. (Action: EVP CAPD and EVP IBOP)	06/30/21	Management Response: 8. Security controls are already included in Metro's processes and will be included within the ICS/SCADA modernization strategic plan.

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			9. Prioritize and implement the Ancillary Fiber Optic Communications project to provide fiber optic connectivity to RTUs in facilities, train control rooms, substations, etc., and replace RTUs and the Data Transmission System with fiber cables, as necessary. (Action: EVP SPPM, EVP CAPD and EVP IBOP)	08/31/21	Management Response: 9. Metro will prioritize this investment through the capital program development process managed by SPPM and implementation planning by CAPD. OIG Analysis: Management's ongoing actions meet the intent of these recommendations. Recommendations will be closed when action has been completed and verified by OIG.