



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**EXECUTIVE MANAGEMENT COMMITTEE**

**July 17, 2014**

**SUBJECT: PERIODIC REPORT ON OFFICE OF THE INSPECTOR GENERAL  
ACTIVITIES**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file this Office of the Inspector General (OIG) activities report, which includes the audit of the contract with the Los Angeles County Sheriff's Department (LASD).

**ISSUE**

The OIG reports periodically on its activities. This report covers activities for the second half of FY 2014.

**DISCUSSION**

**A. Audit of the Transit Policing Contract**

The Metro Board directed the Office of the Inspector General to audit the transit policing contract between LASD and Metro.

The audit found that recently LASD has improved the impact of policing activities throughout the transit system. More citations have been written, the number of fare checks has increased, officer morale has generally increased, and plans to address staffing issues and other improvements are underway. The audit report identified a number of opportunities to improve operations and made appropriate recommendations. LASD has begun to take significant steps to address the recommendations in the report such as creating a LASD Transportation Division and appointing a new division chief.

**1. Scope of the Review**

The OIG prepared a comprehensive scope of work for the Request for Proposal to obtain an expert consultant to perform this audit. Bazilio Cobb Associates (BCA) was hired to perform the audit. The audit team included internationally recognized policing experts from across the U.S. provided by the Bratton Group, LLC, a subcontractor of BCA. The scope of this review focused on:

- Transit Community Policing Plan
- Requirements for Bus Operations
- Requirements for Rail Operations
- Communications
- Management Oversight and Performance Metrics
- Reports and Analyses
- Complaints
- Security Organization and Responsibilities
- Personnel and Billing
- Independent Audits and Reviews

## 2. Background

The Los Angeles County Metropolitan Transportation Authority (Metro) has a 3-year Memorandum of Agreement (MOU) (with 2 one-year options) with the Los Angeles County Sheriff's Department (LASD) to provide Metro with transit community policing services. This MOU became effective on July 1, 2009. The contract amount for services from the LASD ranged between \$65.9 million and \$83.0 million annually from FY 2009 through FY 2014. Because the contract expires on June 30, 2014, a 6-month extension was approved in April 2014. LASD's Transit Services Bureau (TSB) performs the policing services required by the contract.

## 3. Results of the Evaluation

The consultant completed the review and issued a comprehensive audit report on the LASD contract, which was distributed to the Board and Metro management on June 3, 2014. Significant findings are summarized below:

- a. Transit Community Policing. Metro's Scope of Work for the LASD-Metro contract states that LASD is to provide "transit community policing services" for all Metro service lines (including bus lines) and stations, and stipulates specific characteristics and expectations for the transit community policing services, including requirements related to personnel, operations, and services provided. However, LASD did not provide a Transit Community Policing Plan or Program.
- b. Requirements for Bus Operations. The LASD has not developed an annual bus operations policing plan or strategy, and the TSB has no central plan to address the challenges and operational necessities of crime and disorder on buses.
- c. Requirements for Rail Operations. LASD has not provided a specific plan or strategy relating to rail operations as required by the LASD-Metro contract.
- d. Communications. Metro's Scope of Work requires a Police Radio Dispatch and Communications Capability that minimizes response times for calls for service. We found that:

- LASD's reported response times generally met targeted goals; however, the data provided did not provide an accurate picture of actual response times.
  - LASD's Transit Services Bureau does not consistently conduct month-to-month comparisons whereby patterns can be identified and progress in lowering response times ascertained.
  - The current Communications Center facility site is cramped and not organized to be effective.
  - There is no specific transit-related training for Deputies and law enforcement technicians assigned to call-taking and dispatch duties at command centers.
- e. Management, Oversight, and Performance Metrics. Metro has not developed a formal plan or methodology for contract oversight, and no staff are fully dedicated to contract oversight. Performance metrics were developed and included in the contract extensions beginning in FY 2012; however, LASD had not met many of the targets for performance metrics, including crime reduction, continuity of staff, and fare enforcement saturation and activity rates.
- f. Reports and Analyses. With the implementation of TAP, LASD personnel began using a mobile phone validator to verify fares. The current mobile phone validator is inadequate and has limited functionality. Also, the three units of the LASD that would be part of a tactical response to critical incidents did not have ready access to needed information and had difficulty finding specific locations within Metro facilities, such as rail line vents where the alarm had sounded. Their blueprints of the rail stations were not up to date, nor were they readily accessible. They had no information on other Metro facilities such as bus divisions or maintenance facilities.
- g. Complaints. The complaint disposition categories used by the LASD do not adequately result in a conclusion of fact regarding the specific allegations made in the complaint. In addition, timelines established by LASD policy for sending acknowledgement and outcome letters are not met for most complaints.
- h. Security Organization and Responsibilities. The current contract created a dual chain of command for Metro Security by assigning a LASD Lieutenant as Director of Metro Security, while command and control is assigned to the Metro DEO. This dual chain of command has not been effective in managing and supervising Metro Security. Also, the roles and responsibilities of Metro Security have not been clearly or appropriately defined, and in some instances, current roles extend beyond the authority and common practice of security officers.
- i. Personnel and Billing. LASD did not submit adequate supporting documentation with their monthly billings and does not have an adequate time recording and record keeping system to track personnel's time records related to the Metro Contract. Other observations included:

- LASD filled some TSB positions via the Cadre of Administrative Relief Personnel (CARP) program which resulted in a lack of expertise, equipment, and familiarity in transit operations at the line level. Metro paid LASD for the CARP personnel at the same rate as permanently assigned personnel.
  - LASD has not provided the staffing levels required under the contract. There are continued vacancies in officer, supervisory, and managerial positions.
  - Some LASD personnel time was billed twice to Metro when personnel whose costs are included in the billing rates also generate direct billed time.
- j. Independent Audits and Reviews. A review of Metro Transit Security was conducted in 2008 and an operations assessment of Metro included a brief section on Security and Law Enforcement as part of their review of Essential Operating Department Support. The majority of recommendations from both reports were not implemented, and there was no indication whether the recommendations were followed up. Further, Metro has not taken advantage of periodic contract performance audits of the services provided by LASD as a contract compliance tool.

#### 4. Report Recommendations

The consultant's report included 50 recommendations to improve the compliance and effectiveness of the LASD contract. Both LASD and Metro management agreed with the majority of the findings and recommendations in the report and indicated that the recommendations will be evaluated and corrective actions initiated where appropriate.

#### B. Other OIG Activities

##### 1. OIG audit activities included the following:

- a. Bus Ride Along Program. We continue to perform undercover observations of bus operator performance to monitor and confirm bus operator compliance with safety, ADA, revenue, and customer service policies. Our quarterly evaluations of bus operator performance found that most operators performed their duties in accordance with Metro policies and rules, in some instances in an exceptional manner. We recently altered our criteria for reviewing lines and operators based on smart cam violations to better address safety and fare enforcement concerns.
- b. Statutorily Mandated Travel Expense Audits. Pursuant to the Public Utilities Code, we completed two quarterly audits of miscellaneous expenses such as travel, meals and refreshments, private club dues, and membership fees. The audits found that most of the expenses reviewed complied with Metro policies. We will be altering our criteria for review in upcoming audits to determine if there are any efficiencies that can be found.

- c. Expo Project Labor Agreement. The Expo Board of Directors requested the OIG to review the implementation of the Exposition Metro Line Construction Careers Policy (CCP) and Project Labor Agreement (PLA). We (1) interviewed Expo staff, prime contractor representatives, and Metro experts, (2) gathered and reviewed documents related to the review, and (3) prepared a detailed statement of work for the review. A consultant firm experienced in labor compliance and CCP/PLA reviews was selected to gather billing and hiring records and conduct a detailed review and analysis of the documentation. The consultant completed a report and verified compliance with requirements in the CCP/PLA.
2. The OIG Investigations Unit opened new cases and carried on numerous investigation activities during the period. The outcomes of some of these cases include:
    - a. Misuse of Compensatory Time. Our investigation found that a Metro employee took a 3-week vacation; and with the knowledge of his supervisor, he reported on his payroll time cards 102 regular work hours instead of vacation time. He claimed to have used compensatory hours for the vacation period. However, the compensatory hours were not documented in advance or as incurred; and exempt employees are not entitled to compensatory hours under Metro policy. The employee provided OIG investigators with altered and misleading documents after we initially interviewed him. During our review, we also found that the employee worked or claimed to have worked regular hours beyond what was allowed in Metro's policy for a Temporary, As Needed Employee during about an 8 month period.

Subsequent to the issuance of our report to Metro, the supervisor was terminated from Metro employment, and the employee resigned pending a hearing and agreed to forfeit 100 hours from his vacation bank. Metro management agreed with two recommendations in the report to strengthen procedures and controls over the weekly work hour limits for As Needed Employees.

- b. Inappropriate Pay. Our investigation found that two employees inappropriately received Window/Seat Inserts (WSI) pay for work not performed or contrary to the union agreement, which is substantial higher than the regular pay rate, and two other employees inappropriately received Leader pay although they did not perform the work.

Metro management agreed with the recommendations in our report and indicated that corrective actions will be taken.

- c. Bill Board Matters at the City of Santa Clarita. We were asked to review whether Metro is funding or directing any vendor activities that might constitute improper interference or could reflect poorly on Metro with respect to petitions signature gathering for a referendum to stop a planned electronic billboard project between

Metro and the City of Santa Clarita. We found that Metro had no involvement with any matters involving the petition signature gathering activities, and no Metro funds were used related to such activities. Furthermore, no persons complained or notified Metro of any effort to oppose petition signature gathering activities until public comments were made at the Regular Board Meeting on April 24, 2014. Upon being apprised of this activity, Metro staff immediately contacted Allvision (electronic billboard contractor) and requested that they cease involvement in any activity that disrupts petition gathering.

The Los Angeles County Registrar-Recorder verified sufficient signatures were obtained to certify the referendum. On June 24, 2014, the Santa Clarita City Council voted to put the referendum on the ballot for the General Election on November 4, 2014.

- d. Metro Safety Shoe Subsidy Program. We found that salespersons from a vendor and Metro employees wrongfully used Metro shoe vouchers to purchase unauthorized items. Metro employees were provided unauthorized items that increased the value of the transaction, but these ineligible purchases and fees were not itemized and reflected on the vendor's invoice and shoe voucher. The increased sales amounts benefited vendor employees who received an increased commission from these transactions. Metro management agreed to most of the recommendations in the report and indicated that the corrective actions would be initiated where appropriate. The vendor agreed to accept return of certain items purchased by the OIG in the course of the investigation.
- e. Sharp Turn Rail Design Report. In December 2012, we issued a report pertaining to the Blue Line/Expo Line junction at Washington Boulevard and Flower Street (the "Washington/Flower Junction"). That report discussed the design, construction, and performance of special trackwork that included a non-mainline, sharp 190 ft. radius turnout (hereafter referred to as the "Sharp Turnout") with a non-standard gauge, which partially contributed to the damage of a certain component commonly known as a "frog."

We have now reviewed five other rail transit projects under development and found two locations associated with the Regional Connector where Sharp Turnouts, designed for non-mainline use, were initially projected for mainline use. We found that Metro management has taken steps to ensure redesign the turnouts or confirmed that run times were acceptable and there were no safety issues.

We also found unclear language in the Metro Rail Design Criteria which allows for possible use of Sharp Turnouts in future mainline operations. Metro management agreed to the recommendations in the report and indicated that corrective actions have been initiated or completed.

- f. Misuse of Metro Telephone. We found that an employee violated Metro policy when he used Metro telephones to make 174 calls to the owner of his outside job. These calls totaled 81 hours, of which 73 hours (90 percent) occurred during his Metro duty hours. We provided a report to management who is considering the corrective action to be taken at this time.
3. Capital Project Management Best Practices Study. The OIG began a study of best practices for management of capital projects, especially large scale construction projects. During this planning stage of the study numerous experts were interviewed from the private sector and public sector with varied areas of expertise including technical, management, legal, and administrative; highway, rail, and non-transportation industries, to identify key obstacles to completion of projects on schedule, within the contract price and budget, without organizational conflict, with good “partnering methods”, planned and effective problem resolution associated with utility movements, and early warnings and resolutions of problems. Considering these and other areas of interest to assist the agency to refine its methods of moving from a consecutive builder of single large scale projects to a simultaneous builder of many large scale Measure R projects is the goal of the study. As we enter the next stage of the study an RFP will be issued (late July to early August) to obtain specialized expertise and resources to assist the OIG with next steps of this study.
4. Transit Court activities included research on the Motion by the Board in May 2014 concerning youth fare evasion including:
- We considered the legislative requirements and limitations of Penal Code section 640 and Public Utilities Code section 99580 on decriminalization of fare evasion and other citations for minors.
  - We met with interested persons, such as representatives of the Los Angeles County District Attorney’s Office, the Los Angeles County Probation Department, the Los Angeles County Sheriff’s Department, the Los Angeles County Counsel to probation, the State of California legislative transportation committee, the Los Angeles Superior Court presiding judge of the juvenile division, and the San Francisco Municipal Transit Authority, and BART agencies to obtain input on youth fare evasion. Contact with the Los Angeles Unified School District and public persons is in progress.
  - The meetings shed greater light on processing and handling of juvenile transit citations, and a report will be issued to the Metro Board in September 2014 on the feasibility of decriminalization of minor citations.

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