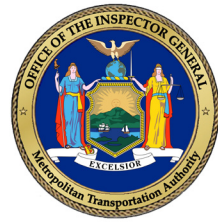


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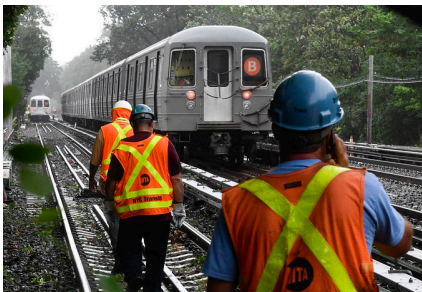
CAROLYN POKORNY  
MTA INSPECTOR GENERAL





# T A B L E O F C O N T E N T S

<b>3</b>	INSPECTOR GENERAL'S MESSAGE	<b>4</b>	2020 STATISTICAL HIGHLIGHTS	<b>13</b>	AUDIT & INVESTIGATIVE HIGHLIGHTS
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## ONLINE REPORT AVAILABILITY

The Office of the MTA Inspector General (OIG) audits, evaluations, inspections, special review reports, investigations, press releases, and ongoing work are available at <https://MTAIG.state.ny.us>

Announcements of the latest reports, multimedia, and news from the OIG are also available on the OIG's social media accounts:

  Twitter, Instagram: @MTAOIG   Facebook, LinkedIn: @MTA Inspector General

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## INSPECTOR GENERAL'S MESSAGE

There has never been a more critical time to instill the public's confidence in our grand and sprawling transportation system. Our subways, trains, and buses – which for more than a century have served as the lifeblood of our great city and the surrounding region – suffered a series of crippling blows in 2020. Financially, an already delicate, multi-billion budget collapsed as riders avoided public transportation during the global pandemic. The Metropolitan Transportation Authority (MTA) suffered a series of cruel tragedies as the Authority lost many of our colleagues to COVID-19. We grieve for them, their families, and friends, and in their honor the time has now come to restore and rebuild. All New Yorkers can agree that our region's ability to rebound is deeply enmeshed with maintaining a healthy, functioning MTA. It will not be easy.

It was while facing this year of unprecedented hurdles that New York became an example of how to tackle an onslaught of unparalleled challenges. During the pandemic, the MTA and its heroic workforce played a vital role in transporting essential workers — keeping the Greater New York area safe and functioning. As a lifelong New Yorker and watchdog of the country's largest public transportation system, I know that my Office's role is more vital than ever — not just to the Authority, but the entire region. Each day I have encouraged my team to discover ways to help make the MTA as strong, safe, and fiscally sound as can be on behalf of our riders, taxpayers, and workers. Our contributions include assuring that acts of waste, fraud, and abuse are rooted out, best practices are followed, and those who manage our public transportation system are held to the highest standards. It was this team who, despite the challenges of 2020, did much more than rise to the occasion. Our staff conducted more audits and investigations than the year before, expanded our role as monitors, contributed our know-how and time to the State's COVID-19 response, and upped our site inspections — all with a can-do spirit.

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*Real change, enduring change, happens one step at a time.*

– Ruth Bader Ginsburg

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As New York was engulfed by the pandemic, I tasked many members of my team to a variety of positions across the State's COVID-19 response task force. Office of the MTA Inspector General (OIG) staff connected New Yorkers to vital resources and services. We monitored the adjustments to the MTA homeless outreach program and emergency purchasing conducted during the crisis months, and responded to the unprecedented demand for information from not just New Yorkers but

from people around the world. These efforts are a testament to my team's commitment as public servants; how willingly they leapt at the chance to help fellow New Yorkers during a deadly pandemic.

We did so while remaining committed to our core mission of serving as the MTA's watchdog. We published more than two dozen groundbreaking audits and investigations. We evaluated the MTA's response to homelessness, exposed dangerous working conditions in boiler rooms and other facilities, called for reform to protect the MTA from unscrupulous contractors, and documented how parts of the Authority persist in tracking worker overtime using an antiquated "honor system." We also collaborated with law enforcement partners on various criminal cases, improved processes to protect workers from being falsely accused of wrongdoing, reviewed MTA's storeroom security and vehicle usage, and focused on myriad issues in between. In this regard, Team OIG tackled corruption, safety issues, and fraudsters of all stripes.

None of this work could have been achieved on our own. Leveraging our relationships with investigative, prosecutorial, and law enforcement agencies on the federal, state, and local levels, along with the cooperation of countless MTA staff and managers, we have dedicated ourselves to serving New Yorkers, wherever and whenever possible.

You have my word, we have no plans to stop.

Very truly yours,  
Carolyn Pokorny



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S T A T I S T I C A L  
H I G H L I G H T S





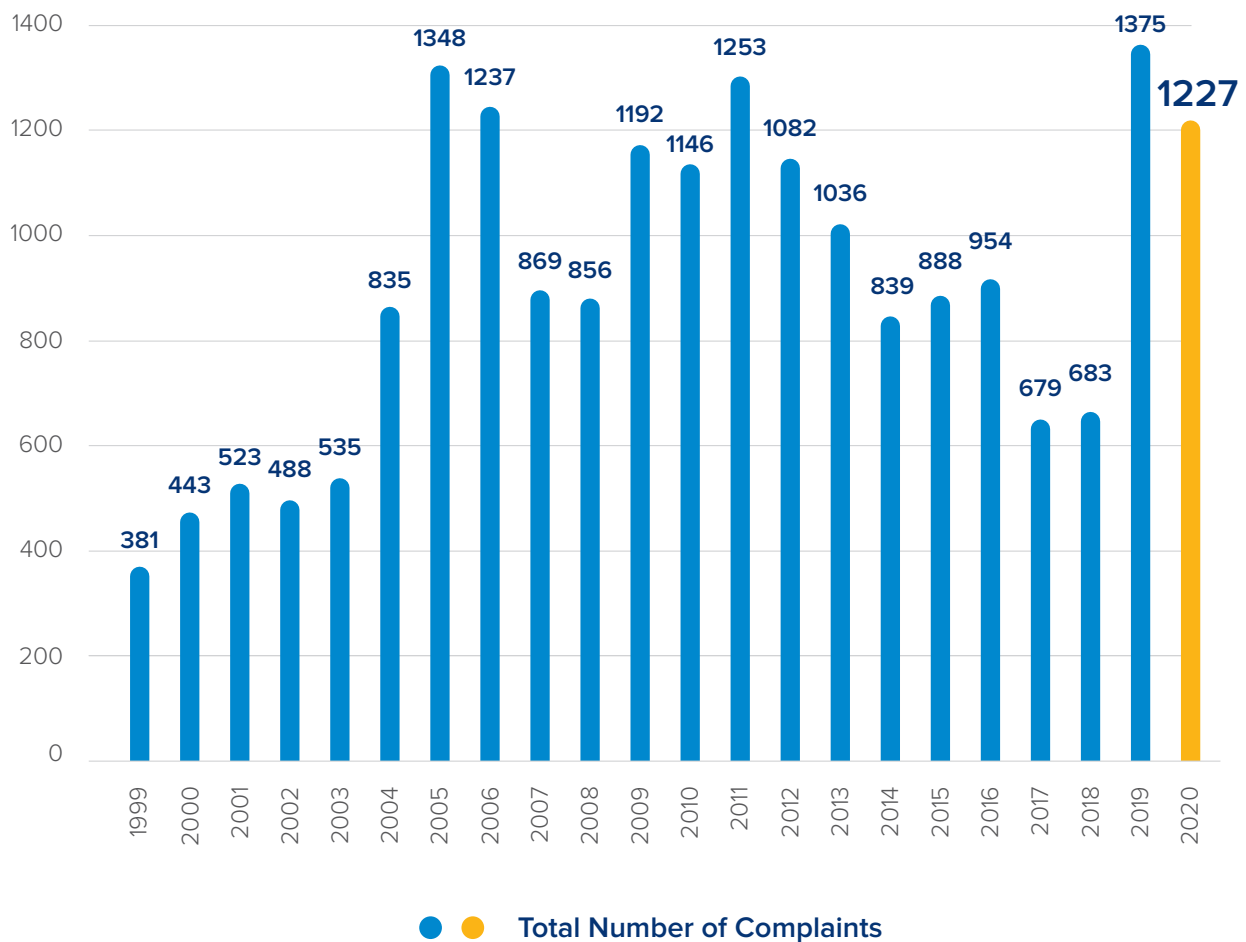
## 2020 STATISTICAL HIGHLIGHTS

At the request of good government and transit advocacy groups, for the second year in a row the OIG is reporting on its year-end statistical highlights, as detailed below.

2020 marked another impressive year for the OIG's work in support of the MTA and its constituent agencies: MTA New York City Transit (NYC Transit), MTA Long Island Rail Road (LIRR), MTA Metro-North Railroad (MNR), MTA Bridges and Tunnels (B&T), MTA Bus Company (MTA Bus), and MTA Construction & Development (C&D).<sup>1</sup>

In 2020, OIG Intake staff processed 1,227 complaints, the second highest number of complaints received in the past 5 years, from individuals both inside and outside the MTA. As many of the OIG's complaints come from riders and their interaction with service, the OIG is especially proud of these results during this pandemic year.

### COMPLAINTS



<sup>1</sup> As used in this report, unless the context indicates otherwise, the term "MTA" includes the constituent agencies.

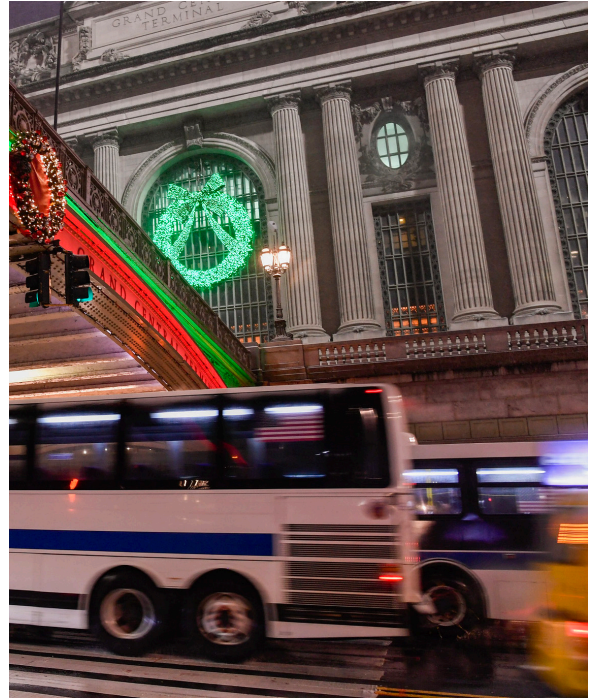


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## COMPLAINT SOURCE

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<b>TOTAL COMPLAINTS</b>	<b>1227</b>
Anonymous/Confidential	504
Private Citizen/Public	354
MTA Employee/Former Employee	135
MTA/External Agency Referral	111
Other	107
Self-Initiated/Proactive	15
Contractor/Former Contractor	1



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## COMPLAINT DISPOSITION & RESOLUTION

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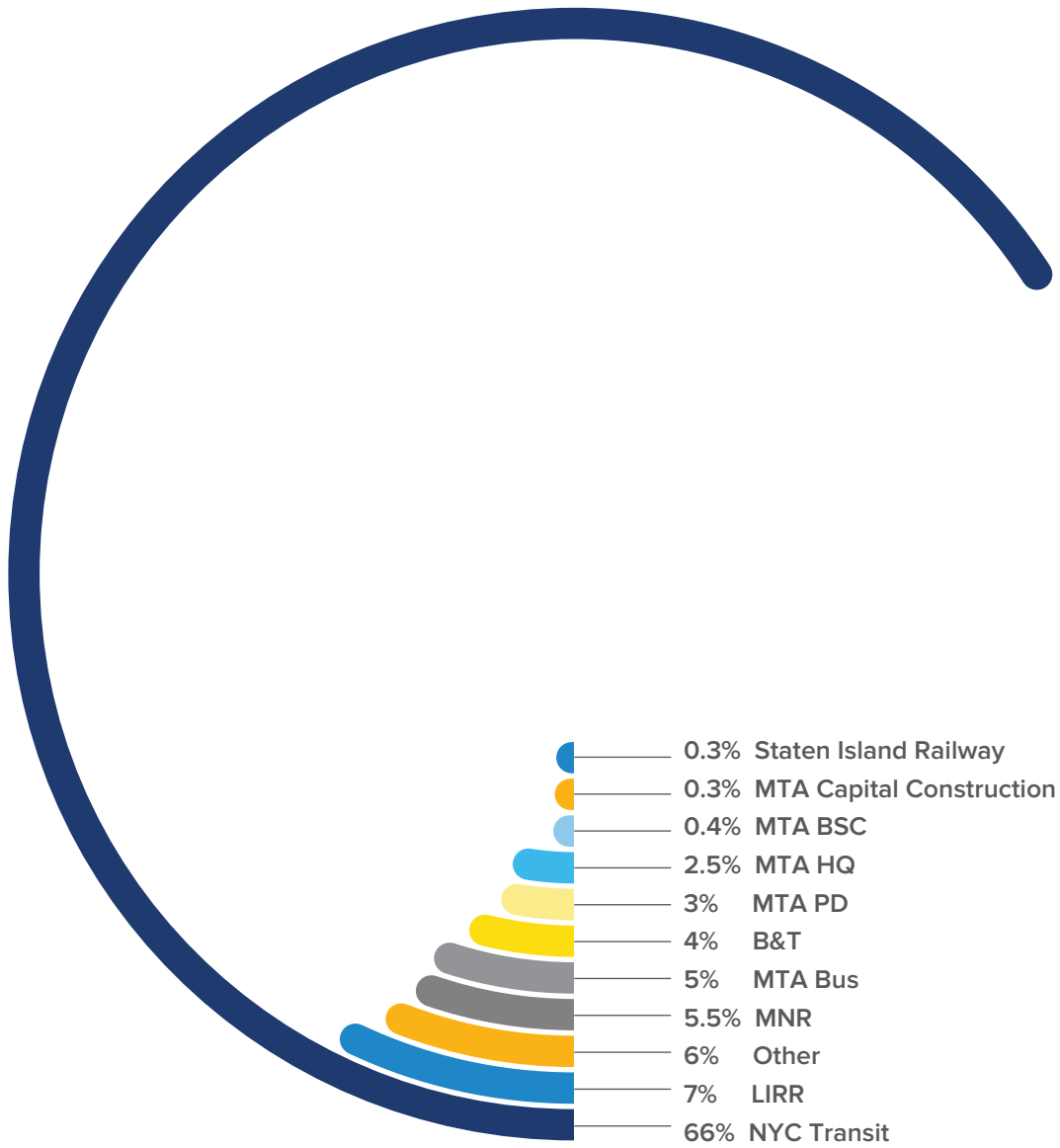
<b>TOTAL COMPLAINTS</b>	<b>1227</b>
Referred to MTA Agencies for Resolution and Response	756
Closed After Intake Assessment	255
Referred to OIG Operating Unit	166
Open and Carried Over to 2021	50



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## COMPLAINTS BY AGENCY INVOLVED

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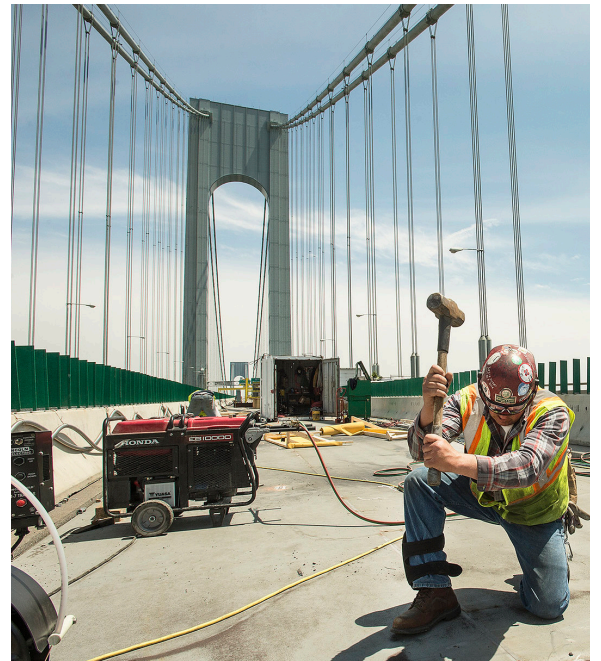
## COMPLAINTS BY METHOD OF REPORTING

<b>TOTAL COMPLAINTS</b>	<b>1227</b>
Email Complaint/Website	555
Other	279
Hotline Telephone Call	198
MTA/External Agency Referral	110
Letter	46
Spin-Off from other OIG Work	20
Hotline Overnight Voicemail	17
Walk-In	2



## COMPLAINTS BY ALLEGATION TYPE

<b>TOTAL COMPLAINTS</b>	<b>1227</b>
Employee	704
Service Issues	279
Agency Operations	191
Contract/Procurement	24
Criminal	21
Outreach/Liaison Activities	4
Employment History/Status	3
Construction	1



## THE OIG IS MONITORING BILLIONS OF DOLLARS IN MEGAPROJECTS AND MAJOR INITIATIVES

from overtime and fare evasion to Superstorm Sandy resiliency and transformation. For more details, please see the Monitoring & Compliance section on page 23.

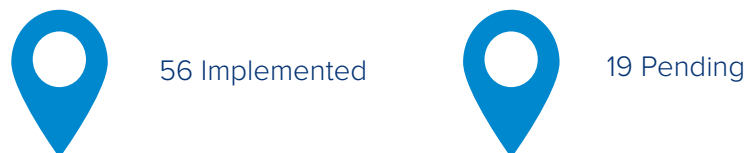
Superstorm Sandy Resiliency: \$4.8 billion  
 Overtime Reform: \$1.079 billion/year  
 MTA Transformation: \$370 million - \$530 million  
 Fare Evasion Estimates: \$250 million/year

Homeless Initiatives: \$5 million/year  
*Third Party Monitors:*  
 East Side Access: \$11 billion  
 LIRR Third Track: \$2.6 billion

### OIG ISSUED 30 REPORTS IN 2020:



### OIG ISSUED 75 RECOMMENDATIONS





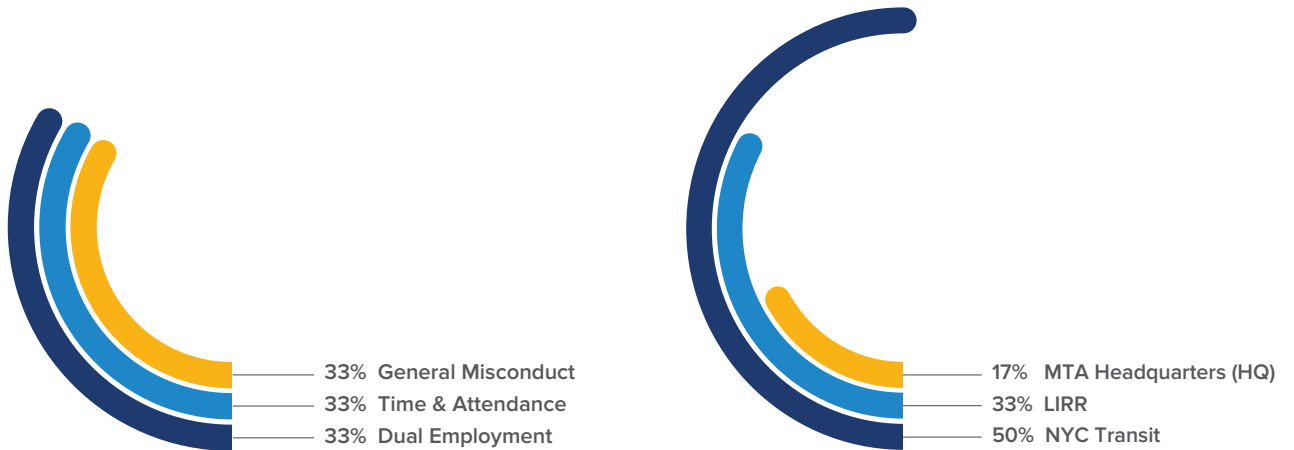
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OIG'S WORK RESULTED IN 20 DISCIPLINARY ACTIONS,  
A 100% INCREASE FROM 2019:



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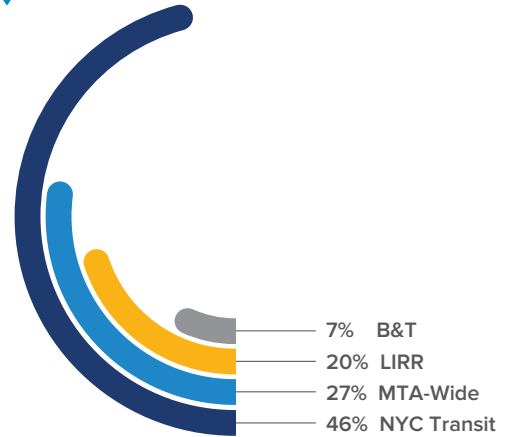
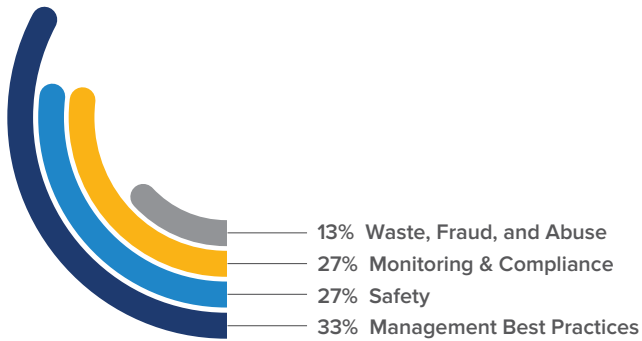
OIG'S WORK LED TO 6 PROBLEMATIC EMPLOYEES AND MANAGERS RETIRING,  
RESIGNING, OR BEING TERMINATED, A 50% INCREASE FROM 2019:



## OIG AUDIT UNIT

17 Audits Initiated

15 Audit reports issued

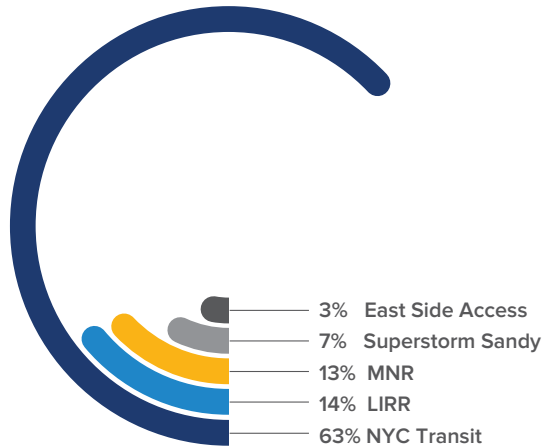


## OIG INVESTIGATIONS UNIT

15 Letter Reports Issued

206 Investigations closed in 2020

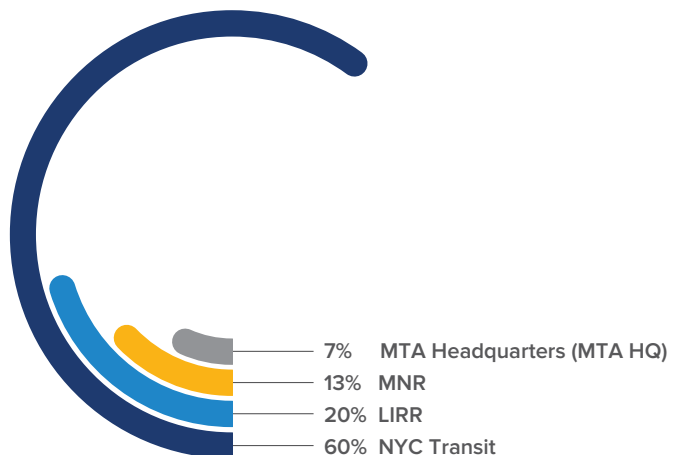
132 Investigations open as of end of 2020



270 Site Inspections

8.8% increase from 2019

187% increase from 2018





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## FINANCIAL IMPACT

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**QUESTIONED COSTS/LOST REVENUE<sup>2</sup>: \$286,406,527**

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**MONEY RECOUPED<sup>3</sup>: \$1,859,569**

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**MONEY SAVED ON OUTSIDE SANDY MONITORS TO DATE<sup>4</sup>: \$20,000,000**

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<sup>2</sup> A cost/lost revenue is questioned by the OIG based on the possibility of: (1) an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable; or (4) a finding that a lost revenue could be prevented or addressed in a more efficient or effective manner.

<sup>3</sup> Includes OIG's, joint task forces', and joint matters with law enforcement partners' civil, criminal, restitution, recoveries, settlements, and forfeiture.

<sup>4</sup> In response to a Federal Transit Administration requirement to provide monitors for the projects funded by the \$4.8 billion Hurricane Sandy Recovery Grants, the MTA established a monitoring oversight committee, which includes the OIG. By having the OIG and other MTA agencies do this monitoring work, instead of third-party monitors, internal MTA estimates show the MTA saving \$20 million for current construction projects, and up to \$48 million for total construction projects.





A U D I T

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I N V E S T I G A T I V E

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## AUDIT & INVESTIGATIVE HIGHLIGHTS

In 2020, the OIG published numerous reports, monitored multiple initiatives, and worked on criminal matters with law enforcement partners.

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Brief summaries of many of the OIG's activities have been organized into areas of:

**SAFETY**

**MANAGEMENT BEST PRACTICES**

**MONITORING & COMPLIANCE**

**WASTE, FRAUD, AND ABUSE**





# S A F E T Y

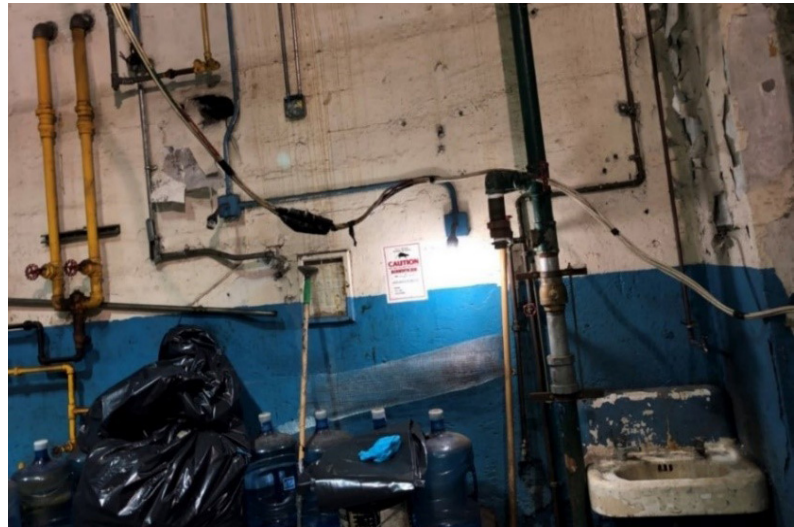




### **EMPLOYEE SAFETY CONCERNS IN NYC TRANSIT BOILER ROOMS INADEQUATELY ADDRESSED BY MANAGEMENT #2020-09**

In October 2019, the OIG sent an interim letter to NYC Transit that identified serious structural problems within the agency boiler rooms and safety concerns for boiler room workers that required immediate attention. In November 2020, the OIG released the full report detailing how these facilities were found to have dangerous defects, who was accountable for past lapses, and recommendations to improve the identification and remediation of defects.

The November 2020 report notes that even after the OIG's initial boiler room report in October 2019, NYC Transit made an inadequate effort to remedy the situation, leaving workers and infrastructure at risk. OIG found NYC Transit did not have a comprehensive plan detailing how the concerns would be addressed, when, or by whom. The agency only had a list of the issues and before-and-after photos of purported repairs, which at best showed minimal effort. When prompted, NYC Transit could not provide a detailed scope of the repair work to be done, the dates of repairs, the staff assigned, or the completion of post-repair inspection reports. Therefore, OIG found it was impossible to determine if the repairs were appropriate and sufficient, or even completed at all.



OIG reserved its strongest criticism for the management of NYC Transit Heating Ventilation and Air Conditioning (HVAC). It was this unit's workers who were exposed to the dangerous conditions and who had appropriately flagged their complaints using the tool that management provided them with to assess their working conditions. Yet, HVAC management chose not to act, allowing serious safety and structural problems to develop. This lack of action by HVAC management is indefensible.

OIG made several recommendations in the November 2020 report to ensure that conditions will be assessed regularly. NYC Transit accepted all of the OIG's recommendations and initially reported in August 2020 that all the necessary repairs had been completed. Based on OIG visits to the locations, that assertion was found to be untrue. After significant investigation into the failures of the maintenance system and staff to report conditions and repairs accurately, NYC Transit leadership made fundamental changes to their system and reported to the OIG in November 2020 that they had taken sufficient steps to finally address the issues. OIG will continue to monitor NYC Transit's actions regarding the identification and remediation of facility defects.

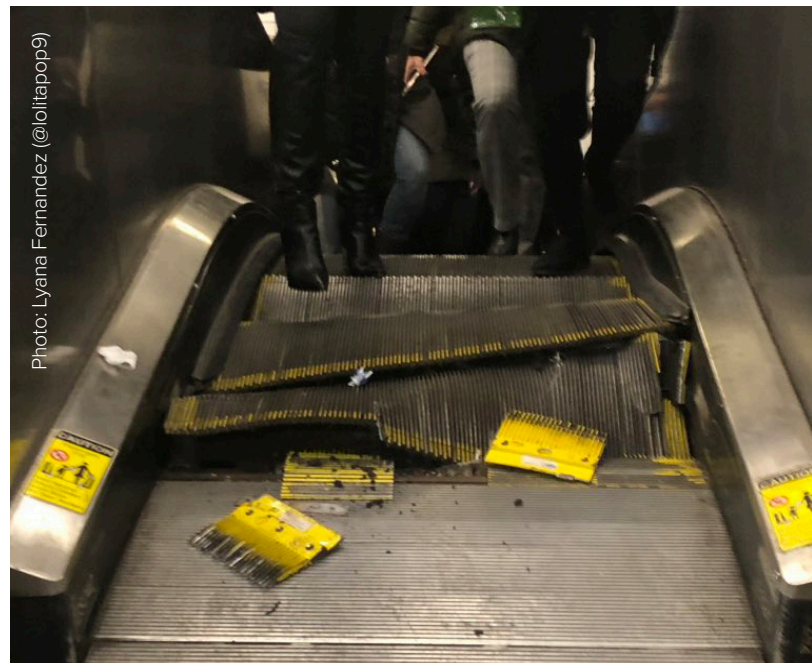
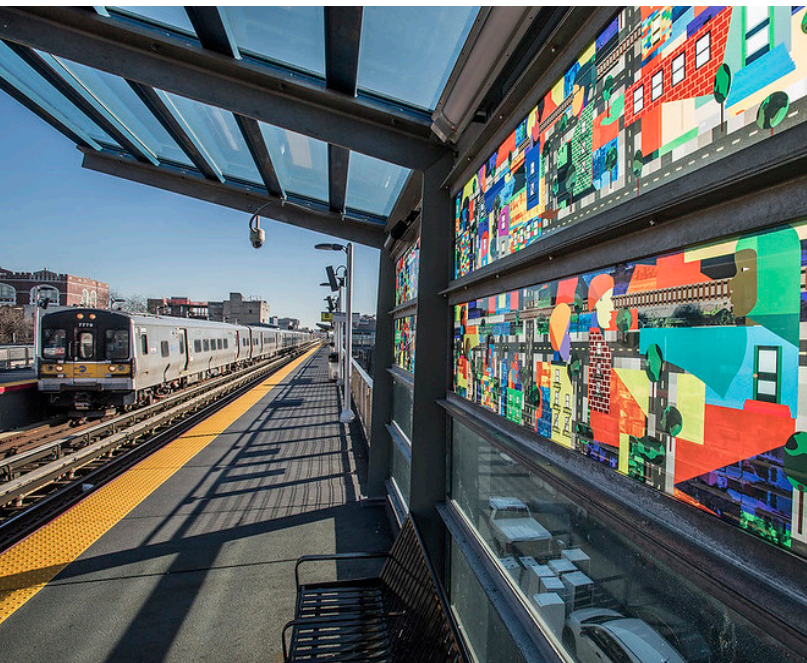


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## **LIRR'S POST-INCIDENT INVESTIGATIVE PRACTICES #2019-24**

OIG found weaknesses in LIRR's post-incident procedures for investigating the causes of derailments and other severe, safety-related events. The review found that, in several recent instances, LIRR's post-incident investigative practices did not reflect industry best practices. Of particular concern was that no single railroad official had authority for key investigative tasks and this lack of centralization risked the full collection of evidence at the scene.

To address these areas of weakness, OIG made 8 recommendations, including that LIRR empower the agency's Corporate Safety Department with the authority to manage investigative activities at the site and monitor follow-up corrective actions. LIRR has successfully implemented all of the OIG's recommendations on this issue.



## **NYC TRANSIT ESCALATORS: FEBRUARY 2019 WRECK AND THE PREVENTIVE PROGRAM FOR ESCALATORS #2019-29**

During a Monday morning rush hour in February 2019, an escalator wrecked at NYC Transit's Fifth Avenue/53rd Street subway station, with passengers on the escalator. OIG's audit found that the root cause of the wreck, worn mechanical parts, went unnoticed due to preventive maintenance visits which NYC Transit either cancelled or did not complete.

OIG found that no management report captured an individual escalator's history of cancelled, delayed, or incomplete preventative maintenance visits. The OIG also identified instances in which memos that were supposed to document the justification for cancelling preventive maintenance work were prepared several months after the fact.

NYC Transit has accepted all OIG recommendations.



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## **ASBESTOS MANAGEMENT AT NYC TRANSIT EAST NEW YORK FACILITY #2020-24**

Following a 10-month review, the OIG called upon MTA leadership to improve its management and monitoring of asbestos-containing material in all its facilities. While the OIG did not substantiate the union's and employees' specific allegations of hazardous asbestos particles circulating in the air at the East New York bus depot (ENY), the OIG did uncover several ways in which MTA had deviated from its own policies in asbestos management, specifically regarding how supervisors and managers track asbestos conditions.

When the complaints were filed about ENY, NYC Transit's Office of System Safety (OSS) failed to consult an extensive 2011 survey which detailed locations of asbestos-containing material at the facility. In fact, this 2011 survey seems to have been shelved and forgotten as soon as it was completed. As a result, ENY facilities management commissioned 2 more asbestos reviews that duplicated the 2011 survey. By not following its own management policy, and documenting, tracking, updating, and widely communicating information regarding known asbestos locations at MTA facilities, OSS put itself in a reactive position when workers raised concerns. OIG found OSS's failure to document and provide critical information that could impact worker safety unacceptable.

Additionally, OIG discovered that OSS lacks an asbestos tracking system for all its facilities, and thus failed to monitor existing known asbestos locations for changes in conditions. When OIG asked OSS to provide updates on the conditions of 25 vulnerable areas highlighted in the 2011 survey to determine their current state, OSS had to commission a third additional survey, which resulted in the abatement of asbestos in 2 additional areas.

The OIG recommended that MTA management track and memorialize known asbestos locations in a transparent way that will enable safe work environments and foster confidence in all who must work in them. NYC Transit agreed to implement the OIG's 5 recommendations, noting that maintaining a database of current, known asbestos locations is a significant, long-term, ongoing project.



MANAGEMENT  
BEST  
PRACTICES





## IMPROVING THE STATISTICAL METHODOLOGY OF NYC TRANSIT FARE EVASION ESTIMATES #2020-17

NYC Transit has long wrestled with the problem of fare evasion on its subways and buses, which the MTA announced resulted in lost revenue of nearly \$250 million annually.

As a follow-up to the [OIG's July 2019 letter](#), OIG and NYC Transit, with guidance by Dr. Kitty Kay Chan, a Columbia University data analytics professor, began a 4-month collaborative effort to review the statistical methodologies underlying NYC Transit's estimates of the system-wide fare evasion rates. In July 2020, the OIG announced the agency's development of new methodologies for calculating fare evasion rates for the bus and subway systems, which should provide a more accurate estimate of fare evasion. The fare evasion team reconvened in fall 2020 to adapt the subway methodology to account for ridership changes caused by the pandemic; NYC Transit also began testing performing the bus fare evasion survey through video reviews.

Dr. Chan has graciously volunteered her time and expertise to the collaboration, which is yielding new sampling methodologies and related changes to the calculation of results. The OIG appreciates the hard work of Dr. Chan, NYCT's Division of Operations Planning, and NYCT's Office of Management and Budget on this successful team project.





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## **IMPROVING RELEVANCE OF CONTRACTOR PERFORMANCE EVALUATIONS #2019-26**

OIG found that the MTA's All-Agency Contractor Evaluation (ACE) system — which records and tracks contractor and consultant performance for capital contracts over \$250,000 — continued to underperform.

As the OIG reported previously in [2009](#) and [2015](#), capital project managers have a history of rating subpar vendors “satisfactory” in evaluations, creating “evaluation inflation” in the system. In fact, OIG discovered that fewer than 1% of contractors have been given unsatisfactory scores.

This means that problematic vendors who might be stopped from receiving additional MTA contracts could undeservedly score satisfactory ACE reviews, ultimately costing the MTA, its riders, and taxpayers precious time and money. This also presents a missed opportunity for the MTA to address problems with vendors early in the process, and perhaps avoid poor contractor performances altogether.

In light of the OIG's report and the MTA's ongoing Transformation Plan, the MTA agreed with the OIG's recommendation to devise a system that prizes accuracy and provides the vital information its agencies need to ensure their contractors are responsible and perform well. The MTA plans to implement a new contractor evaluation system in the third quarter of 2021.

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## **REMOVAL OF UNSAFE COMMERCIAL VEHICLES FROM BRIDGES & TUNNELS FACILITIES #2019-23**

At the request of B&T management, OIG reviewed B&T's policies and procedures for engaging towing companies. OIG concluded that B&T's insufficient recordkeeping practices leave commercial motorists at risk of being overcharged by unauthorized towing companies and put innocent employees at risk of being falsely accused of wrongdoing.

To address these areas of weakness, OIG recommended that B&T develop a process to ensure that B&T officers request towing services from authorized companies and document the name of the towing company contacted. B&T has accepted the OIG's recommendation and revised its operating procedures accordingly.



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## **MTA NON-REVENUE FLEET: VEHICLE ASSIGNMENT AND USAGE #2020-15**

OIG reviewed MTA's compliance with New York State Vehicle Use Policy (State Policy) and found 2 key areas where the MTA deviates from State policy. To address these areas of non-compliance, OIG made several recommendations, including the requirements that all agencies maintain vehicle use logs to include information as mandated by the State Policy and MTA agencies should clearly mark vehicles intended for civilian use with agency decals.

Additionally, OIG identified opportunities for MNR to cost-effectively improve its vehicle assignment practices. Specifically, OIG recommended MNR assign vehicles based on employee usage and utilize more ride-sharing pool vehicles and/or reimburse employees for use of their personally-owned vehicles within the limits of the State policy.

The MTA accepted, and is in the process of implementing, the OIG's recommendations.

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## **AN ASSESSMENT OF MTA AGENCIES' STOREROOM PHYSICAL SECURITY #2019-27**

At the request of MTA Chairman Foye, OIG reviewed the integrity of the MTA agencies' inventory control systems to ensure that equipment and materials were adequately secured. As of September 30, 2019, the agencies reported a combined inventory value of approximately \$614 million held by Storeroom Operations. Generally, OIG staff found that physical security controls for the 47 storerooms visited appear adequate.

However, the OIG remained concerned whether agencies have proper controls over materials maintained outside of the storerooms, i.e., non-stock items. This represents a much smaller (less than 8% of the total inventory value of \$665 million) but more vulnerable selection of goods with a significant value of \$51 million. In the fourth quarter of 2020, the OIG began additional assessment and testing of the controls over non-stock materials; the audit is ongoing.





# MONITORING & COMPLIANCE



## COVID-19 ACTIVITIES

With the rise of the COVID-19 pandemic, OIG staff graciously volunteered their time and efforts in a myriad of ways to help New Yorkers and New York State's COVID-19 response.

OIG staff:

- Conducted in-depth background screenings of potential suppliers of pandemic-related goods, including personal protective equipment (PPE) to ensure New York State did business with legitimate providers.
- Answered the New York State Department of Labor hotline to assist callers in registering for unemployment benefits.
- Screened and scheduled individuals for New York State Department of Health Covid-19 testing statewide, including support for high-volume weekend and evening calls.
- Completed a 5-hour Johns Hopkins training on COVID-19 to assist New York State Department of Health with contact tracing.
- Provided communications support to the New York State COVID-19 Task Force.
- Staffed a call line to receive and process complaints regarding violations of Executive Orders concerning density restrictions in public spaces and businesses.
- Visited End-of-Line cleaning contractors to ensure that appropriate cleaning was taking place and proper materials were being used.
- Continued observations of homeless outreach and removal of persons from End of Line locations.
- Observed the cleaning process on Access-A-Ride vans and reviewed documents, including to verify whether operators were in compliance with extensive cleaning requirements.



- Assisted the New York State Inspector General's Office in monitoring shipments and inventory control at 4 warehouses that stored and shipped COVID-19 response equipment.
- Reviewed purchases made by NYC Transit, LIRR, and MNR using Agency Procurement Cards during the spring of 2020 to ensure procedures were followed and that agencies could justify the purchase and pricing.
- Audited an emergency contract designed to ensure compliance with safety requirements for Covid-19 at work sites.



## **HOMELESS OUTREACH ACTIVITIES: TRANSFORMATION NEEDED #2020-13**

Since the summer of 2019, the OIG has been monitoring the MTA's efforts to conduct outreach to homeless individuals through its over \$2 million annual contract with Bowery Residents' Committee and \$3 million annual agreement with New York City. Through an 11-month investigation and audit, OIG uncovered weaknesses in MTA's previous, pre-pandemic homelessness initiatives. Based on this review, OIG found that the MTA needed to focus on evaluating its programs and making changes to yield greater results.

Despite MTA's sincere efforts to connect individuals sheltering in transit facilities to the services they need, and after spending millions annually, its outreach programs were unsuccessful, and its goals, metrics, and data were lacking. Even more fundamentally, the report found that most of what is needed to move homeless people out of the transit system and into more appropriate settings is beyond the MTA's control, expertise, and mission.

OIG noted significant deficiencies in the MTA's collection, reporting, and sharing of data and performance metrics. For example, data often focused on Bowery Residents' Committee staff productivity instead of whether progress was being made on the MTA's priority: the reduction in the number of individuals sheltering in transit facilities. After years of working to connect individuals sheltering within MTA facilities to the services they need, and after spending at least \$2.6 million on overtime alone for MTA police officers during an experimental surge of resources between August 2019 – February 2020, the MTA still lacked the ability to track such crucial metrics as how many homeless individuals actually shelter in the subway system and how many individuals have been successfully diverted from MTA facilities.

To address the areas of weakness, OIG issued 9 recommendations, specifically that MTA focus on what it can control, improve the information it relies on for managerial decision-making, and institute more robust oversight methods to ensure that outreach and enforcement efforts are aligned to reflect its priorities. MTA agreed with the findings of the OIG report and is taking steps to improve its data collection, in part by hiring a contractor to conduct counts of apparently homeless individuals in the subway system. The authority is also strengthening its oversight of the homeless service contractors, evaluating the cost-effectiveness of its efforts, and working closely with New York City. The OIG will continue to monitor the MTA's homeless outreach initiatives.



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## SUPERSTORM SANDY RECOVERY & RESILIENCY MONITORING

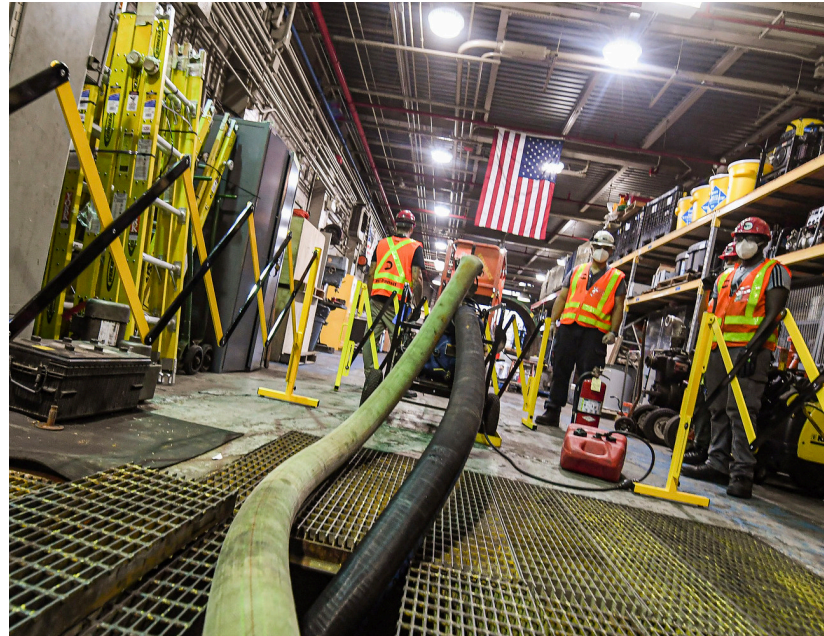
In response to a Federal Transit Administration requirement to provide monitors for the projects funded by the \$4.8 billion Hurricane Sandy Recovery Grants, the MTA established a monitoring oversight committee, which includes the OIG. By having the OIG and other MTA agencies do this monitoring work, instead of third-party monitors, internal MTA estimates show the MTA saving \$20 million for current construction projects, and up to \$48 million for total construction projects.

There are currently 22 Sandy projects being monitored:

- 18 NYCT projects
- 2 MNR projects
- 2 LIRR projects

In 2020, the OIG performed the following Sandy monitoring activities:

- Conducted 2 training sessions on fraud awareness for 86 attendees, 5 of whom were expected to work on Sandy-related projects.
- Conducted more than 35 background checks of Sandy-related vendors and contractors.
- Attended 201 progress meetings and 3 kick-off meetings. While participating in progress meetings, OIG staff pay close attention to how workers and projects are being affected by the COVID-19 pandemic.
- Conducted 18 site visits (either directly or through a third party) and 8 disadvantaged business enterprise related office visits.
- Reviewed documentation for 35 change orders valued between \$100,000 and \$1 million for a total value of over \$8.5 million.



## THIRD PARTY MONITORS FOR LIRR THIRD TRACK AND EAST SIDE ACCESS

For 2 megaprojects, LIRR Third Track and East Side Access, the OIG reviews third party monitor reports, attends the quarterly compliance monitors' meetings run by the MTA Deputy Chief Risk Officer, and shares, receives, and acts upon information with the appropriate compliance monitor oversight group as necessary.

LIRR Third Track is a \$2.6 billion expansion effort which includes 50 projects to modernize 9.8 miles along the congested Main Line of the LIRR between Floral Park and Hicksville.

East Side Access is an over \$11 billion project to provide new LIRR service to the east side of Manhattan, supplementing existing service to Penn Station on Manhattan's west side and Atlantic Terminal in Brooklyn. The East Side Access megaproject is one of the largest transportation infrastructure projects currently underway in the United States.



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## NYC TRANSIT VENDOR RELATIONS

The OIG assists NYC Transit Vendor Relations in a wide range of activities, from reviewing independent private sector inspector general reports and sharing intelligence regarding “Significant Adverse Information,” to attending and participating in responsibility hearings before, during, and after contract award.

The OIG consults with NYC Transit Vendor Relations on vendors who have Significant Adverse Information to determine if the imposition of an independent monitor is warranted. These consultations may include, where appropriate, the sharing of information obtained from the OIG’s investigative partners on certain vendors. The OIG coordinates with its investigative and regulatory partners when it becomes aware of relevant adverse information about vendors.



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## OVERTIME REFORMS AT THE MTA - MONITORING REPORTS

In November 2019, MTA Inspector General Carolyn Pokorny pledged to rigorously monitor overtime efforts at the MTA and apprise the public and MTA board of OIG’s findings on a quarterly basis to ensure MTA agencies meaningfully rein in overtime spending and safeguard against fraud and abuse by fully implementing the recommendations from the [Morrison & Foerster \(M&F\) LLP report](#) and the [OIG’s audit report](#) highlighting MTA’s deficient overtime verification procedures.

With the rise of the COVID-19 pandemic and the subsequent fiscal reality for the MTA, these OIG Overtime Monitoring Reports have become especially important to praise what change is occurring and make transparent which reforms are stalling. The reports highlight missed deadlines and barriers to implementing necessary management changes and controls over excessive overtime.

The OIG will continue to report on the MTA’s overtime reforms on a quarterly basis. In 2020, the OIG published 3 monitoring reports on the fourth quarter of 2019, first and second quarters of 2020, and the third quarter of 2020; select highlights from each report are below.

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### **OVERTIME REFORMS AT THE MTA MONITORING REPORT, FOURTH QUARTER 2019, FEBRUARY 2020 #2020-03**

- The OIG noted that despite significant efforts to modernize timekeeping at the MTA, active usage of biometric clocks fell approximately 15%—or 8,000 employees—short of the organization’s self-imposed commitment to have 99% active usage by January 15, 2020.

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## **OVERTIME REFORMS AT THE MTA MONITORING REPORT FIRST AND SECOND QUARTERS 2020, JULY 2020 #2020-16**

- During the first half of 2020, pandemic-related issues and fiscal priorities disrupted work on 7 overtime recommendations. The pandemic had an especially significant, negative impact on standardizing timekeeping using Kronos biometric clocks and MTA's progress towards integrating the time and attendance information collected through the clocks with existing payroll systems.
- OIG expressed concerns about the length of delay and the plan for fully implementing and integrating Kronos and biometric timekeeping, noting that the absence of a proper system to verify time and attendance could create opportunities for employees, particularly those who work in remote locations, to claim overtime that was not worked or even assigned to them without being detected.
- Overtime spending amounted to \$1.3 billion in 2018. By year-end 2019, overtime expenditures had dropped by \$104 million (or 8%) to around \$1.2 billion. However, most of the savings occurred at only one agency, NYC Transit, with approximately a \$90 million reduction in expenditures. Comparatively, 3 of the 7 agencies of the MTA had overtime expenditure increases ranging from \$1.6 to \$3.3 million – Bridges and Tunnels, Metro-North Railroad, and MTA Bus. And while overtime spending was down in the first 6 months of 2020, the change was largely due to good weather conditions and service changes due to the pandemic.

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## **OVERTIME REFORMS AT THE MTA MONITORING REPORT, THIRD QUARTER 2020, OCTOBER 2020 #2020-25**

- As part of OIG's ongoing monitoring effort, OIG staff followed up directly with individual approvers of overtime who were interviewed for the OIG 2019 audit report. OIG found the agencies' process of authorizing, scheduling, and documenting overtime – as well as other timekeeping functions – largely remained unchanged since mid-2019, with some overtime approvers continuing to rely on handwritten, paper records.
- OIG expressed concern that the MTA still did not have a timeline for integrating electronic timekeeping systems with payroll. Until timekeeping clocks are integrated with payroll, supervisors can only use electronic time and attendance information well after the fact to identify anomalies, not as a practical daily management tool. While the original deadline of November 2019 for this integration was delayed due to the COVID-19 pandemic, the MTA missed the revised deadline as well in July 2020.
- OIG highlighted the need for follow-through on a recommendation the MTA claimed it had completed. Several agencies missed the July 2020 deadline for issuing revised overtime procedures. The OIG argued that until an agency has established its own policies and procedures, employees may lack clarity regarding who is responsible for performing key tasks and how and when those tasks should be performed.
- OIG uncovered evidence showing that an NYC Transit employee had intentionally damaged a Kronos clock on the 9th floor of the NYC Transit building at 130 Livingston Street, Brooklyn. The employee, who has since retired, paid \$2,500 in restitution for the damaged clock.



WASTE  
FRAUD  
AND  
ABUSE





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**CRIMINAL & ENFORCEMENT MATTERS**

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**PEOPLE v. JAMES BERLANGERO, ET AL.**

In January 2020, the OIG and the Manhattan District Attorney's Office announced the indictment of a former contract manager at MNR for corrupting the request-for-proposals process to award contracts to WRS Environmental Services Inc., in exchange for more than \$70,000 in kickbacks. The total fraud unlawfully netted WRS several MNR contracts for regulated waste transportation and disposal, as well as asbestos removal and other remediation services, valued at more than \$10 million. The indictment is the result of a joint investigation by the Manhattan District Attorney's Office Rackets Bureau and the OIG; the case is ongoing.

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**UNITED STATES v. PARESH PATEL**

In March 2020, the OIG, the United States Attorney's Office for the Southern District of New York, and the United States Department of Transportation Office of Inspector General announced that a former MTA manager pled guilty to obstructing a federal investigation into bid rigging and fraud in connection with contracts awarded by the MTA for Superstorm Sandy-related subway repairs. The former manager set up a private company that participated in a bid for a project that he would oversee at the MTA and took numerous steps upon learning that his conduct was being investigated, including deleting an email account, asking others to destroy evidence, and encouraging others to lie to authorities to obstruct the investigation. The OIG initially launched this investigation in the spring of 2016. On July 9, 2020, the Federal Transportation Administration barred his participation in any federally funded program for 3 years. On September 14, 2020, the former manager was sentenced to 2 months in prison, 3 years supervised release, and a \$10,000 fine.

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**UNITED STATES v. CHRISTINE MYERS****UNITED STATES v. LISA CURTY**

In July and September 2020 respectively, the OIG, the United States Attorney's Office for the District of New Jersey, the Federal Bureau of Investigation, and the United States Department of Defense, Defense Criminal Investigative Service, announced that each of the former co-owners of a New Jersey marketing company pled guilty to conspiracy to commit health care fraud due to their scheme to defraud public and private health benefits programs of at least \$8.8 million for the billing of medically unnecessary compounded prescriptions. As part of their plea agreement, the 2 individuals must forfeit \$1.475 million in criminal proceeds received for their role in the scheme and each pay restitution of at least \$8.8 million. This case is ongoing.

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## **PEOPLE v. GIOVANNI SEMINERIO**

In October 2020, the OIG, the Brooklyn District Attorney's Office, and NYC Transit announced that a former NYC Transit subway conductor has been arraigned on an indictment in which he is charged with grand larceny and other crimes for allegedly stealing approximately \$114,000 in Workers' Compensation payments from NYC Transit.

On December 8, 2015, the then-subway conductor received notification that he would be terminated for disciplinary charges related to his operation of the trains. That same day, the defendant claimed he had been injured during his shift the day before and sought Workers' Compensation benefits. It is alleged between October 2016 and August 2019 the individual periodically signed documents, as required by NYC Transit, falsely certifying that he was not employed in any capacity. In fact, from October 2016 to January 2020, the individual allegedly held a succession of salaried law enforcement positions out of state. NYC Transit's Special Investigation Unit alerted the OIG to the fraud during an internal review of Workers' Compensation cases and suspended his payments in August 2019. The case is ongoing.

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## **UNITED STATES v. CAPUTO, ET AL.**

In December 2020, the United States Attorney's Office for the Southern District of New York, the Federal Bureau of Investigation, and the OIG announced the unsealing of complaints charging 4 current and former longtime employees of the LIRR, and 1 current and longtime employee of NYC Transit, with federal program fraud for submitting paperwork on which they falsely claimed to have worked hundreds of hours of overtime that they did not in fact work.

All of the defendants schemed to fraudulently receive thousands of dollars in compensation from the MTA by falsely claiming to have worked hundreds of overtime hours (and in the case of the NYC Transit employee some regular-time hours as well) that in fact they did not work. The overtime pay the defendants received significantly increased their salary and led to them being among the highest-paid MTA employees, and in the case of 1 LIRR employee, the highest-paid MTA employee in 2018. The defendants frequently volunteered for overtime and then claimed to have been working lucrative overtime shifts at times when they were in fact at home or at other non-work locations, such as in a bowling alley or on family vacations. The case is ongoing.



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## TIME, ATTENDANCE, & DUAL EMPLOYMENT ABUSE

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### LIRR EMPLOYEE'S TIME ABUSE (CAR APPEARANCE MAINTAINER) #2020-10

The OIG substantiated allegations that on 14 occasions between January 1, 2018 to September 30, 2019, an LIRR Car Appearance Maintainer worked as a volunteer firefighter for the North Babylon Fire Department during LIRR work hours and on days he was on regular paid sick leave or on leave under the Family and Medical Leave Act with the LIRR. The Car Maintainer did not have dual employment authorization from the LIRR to volunteer at the Fire Department. In addition, on October 24, 2019, during an OIG site visit at the Car Maintainer's work location, the Car Maintainer was observed asleep in his vehicle during his shift.

The Car Maintainer resigned after the LIRR filed disciplinary charges against him based on the OIG's investigation; LIRR has placed a copy of the OIG report in the employee's personnel file. LIRR has also improved its monitoring procedures of Car Appearance Maintainers by instituting regular spot inspections and more frequent parking lot walk-throughs at the Babylon Yard conducted by supervisors, by utilizing biometric Kronos clocks, and by using sign-in/sign-out sheets for time and attendance verifications. LIRR also started utilizing 1 consistent form to record follow-up inspections. Lastly, the LIRR recouped payments made to the Car Maintainer to which he was not entitled by withholding payout for accrued vacation days, totaling approximately \$2,300.

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### MNR COMMUNICATIONS & SIGNALS SUPERVISOR INCORRECT APPLICATION OF OVERTIME UNDER CBA #2020-11

The OIG substantiated an allegation that an MNR Maintenance of Way, Communications & Signals Supervisor on 9 dates improperly claimed "call out" overtime, which is a minimum of 3 hours overtime regardless of hours worked; such overtime is not authorized by his collective bargaining agreement. However, the OIG found that his MNR supervisor approved the overtime and claimed that he believed the collective bargaining agreement permitted the overtime.

In response to OIG's investigation and report, MNR reviewed the timekeeping records of other supervisors covered by the same collective bargaining agreement and found this to be an isolated case. MNR Senior Management confirmed that all managers of these supervisors were counseled and understand that the overtime rules limit overtime to the time that work is actually performed. On July 10, 2020, MNR also issued a memorandum addressing the issue.





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### **LIRR TRAVEL TIME ABUSE – FOUR STRUCTURES FOREMEN #2019-22**

The OIG found that 4 LIRR Structures Division foremen inappropriately claimed over \$41,000 in overtime or double-time pay for travel time hours that are not provided for in their collective bargaining agreement.

LIRR notified the OIG in July 2020 that, according to LIRR, 3 of the 4 foremen did not violate time and attendance rules. Although such time was not clearly granted by the collective bargaining agreement, faced with a long history of paying for such time, LIRR concluded that the claims were consistent with LIRR practice. This determination will be costly and is unfortunate, in the OIG's opinion, as it results from many years of poor management.

In the case of the fourth foreman, upon additional review LIRR determined that he had improperly claimed and was overpaid \$34,978 in travel time. The LIRR initiated a lawsuit to recoup the amount from the now-retired employee.

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### **LIRR TRAVEL TIME ABUSE #2019-25**

The OIG found that an LIRR employee inappropriately and extensively claimed overtime or double-time pay for travel time hours not provided for in his collective bargaining agreement, totaling over \$26,500. In May 2020, LIRR notified the OIG that LIRR had reviewed the employee's travel time for a 3-year period and determined that the improper travel time payment amount was only \$14,454.24. This amount was withheld from accrued time payable to him upon retirement.

LIRR's significantly lower travel time payment amount reflects their determination that some of the claims were consistent with LIRR practice, although such payment is not provided for in the collective bargaining agreement. This determination will be costly and is unfortunate, in the OIG's opinion, as it results from many years of poor management.

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### **LIRR SUPERVISORS DISHONEST IN SEEKING TELEWORKING APPROVAL #2020-22**

The OIG found that LIRR Maintenance of Equipment Department supervisors had provided misleading and inaccurate information regarding a Managing Engineer's teleworking status to LIRR's Executive Management when they approved the Managing Engineer's request to work from North Carolina, including on the Managing Engineer's cybersecurity form. This misconduct went undetected for nearly 2 ½ years before a complaint alerted the OIG to this matter.

In response to the OIG's investigation, LIRR found that the Chief Mechanical Officer, the General Manager of Fleet Engineering, and the Deputy General Manager violated MTA and LIRR policies and New York State Public Officers Law. LIRR placed a permanent record of the incident in each of their files, and they will not be allowed to apply for a promotion for an amount of time varying from 1 year to 18 months.

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### **UNAUTHORIZED DUAL EMPLOYMENT (NYC TRANSIT SIGNAL MAINTAINER) #2020-07**

The OIG substantiated allegations, received from the United States Postal Service (USPS), that over 4 months in 2019, an NYC Transit Signal Maintainer was simultaneously holding 2 government jobs without the permission of either employer. In fact, he was using sick leave from his position as a USPS Letter Carrier to work for NYC Transit. In March 2020, in response to the OIG's investigation and report, NYC Transit terminated the Signal Maintainer's employment effective March 7, 2020.

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### **UNAUTHORIZED DUAL EMPLOYMENT (NYC TRANSIT SIGNAL MAINTAINER) #2020-08**

The OIG has substantiated allegations that an NYC Transit Signal Maintainer engaged in unauthorized dual employment with the National Railroad Passenger Corporation/Amtrak (Amtrak). The Signal Maintainer was working full-time for Amtrak before he accepted a position with NYC Transit – but instead of quitting his Amtrak job, he continued to work at both agencies for over 20 months. OIG found at least 60 separate instances when both NYC Transit and Amtrak paid the Signal Maintainer for work he purportedly did for both agencies on the same date and time. In addition to this time theft, the signal maintainer:

- falsely reported to NYC Transit that he was not working for any other government agency when in fact he was working for Amtrak;
- violated NYC Transit's hours of rest restrictions for his safety-sensitive position by working the 2 jobs; and
- failed to disclose his employment with Amtrak on NYC Transit forms.

In March 2020, in response to the OIG's investigation and report, NYC Transit brought disciplinary charges against the Signal Maintainer. On July 16, 2020, an arbitrator found that NYC Transit had cause to discipline the Signal Maintainer and assessed a penalty of time-served suspension without back-pay, worth approximately \$27,368, and issued a final warning that if the Signal Maintainer fails to adhere to the rules and regulations governing dual employment in the future, it shall result in his dismissal.

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### **UNAUTHORIZED DUAL EMPLOYMENT BY 2 NYC TRANSIT CAR INSPECTORS #2020-14**

The OIG substantiated allegations that 2 NYC Transit Car Inspectors jointly started and operated 2 construction/home renovation businesses and failed to obtain dual employment authorization from NYC Transit.

In June 2020, in response to the OIG's investigation and report, NYC Transit brought disciplinary charges against the 2 Car Inspectors. NYC Transit conducted Step 1 and Step 2 disciplinary hearings and sustained the charges against both employees. The Car Inspectors have appealed the decisions; the parties are awaiting a date to be set for arbitration.



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## **UNAUTHORIZED DUAL EMPLOYMENT NYCT GENERAL SUPERINTENDENT #2020-18**

The OIG substantiated allegations that an NYC Transit General Superintendent failed to obtain dual employment authorization from NYC Transit before performing 3 plumbing jobs between June and November of 2018. In addition, the General Superintendent failed to disclose his outside employment and his wife's employment and income in his annual Financial Disclosure Statement filed with New York State Joint Commission on Public Ethics (JCOPE).

In July 2020, in response to the OIG's investigation and report, NYC Transit brought disciplinary charges against the General Superintendent for unauthorized dual employment. NYC Transit conducted Step 1 and Step 2 disciplinary hearings, sustained the charges against the General Superintendent, and recommended dismissal. The General Superintendent appealed the decision and is awaiting a date to be set for arbitration.

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## **MABSTOA SUPERINTENDENT THEFT OF NYC TRANSIT PROPERTY & UNAUTHORIZED DUAL EMPLOYMENT #2020-19**

The OIG substantiated an allegation that an MTA Manhattan and Bronx Surface Transit Operating Authority Superintendent:

- removed 2 five-gallon containers of an epoxy floor patching material, worth approximately \$800, from an NYC Transit facility for personal use;
- made false and misleading statements to the OIG that he was transporting the epoxy floor patching material to another NYC Transit facility at the request of a NYC Transit Maintainer;
- failed to obtain dual employment authorization for 1 of his 2 businesses;
- failed to disclose 1 of his businesses in his 2018 annual Financial Disclosure Statement filed with JCOPE.

During the OIG's investigation, the Superintendent was taken out of service. On July 28, 2020, NYC Transit advised the OIG that the agency has issued disciplinary charges to the Superintendent and sought his dismissal. The Superintendent has been suspended pending the outcome of the disciplinary proceeding.



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## **NYC TRANSIT CAR INSPECTOR UNAUTHORIZED DUAL EMPLOYMENT #2020-20**

OIG substantiated allegations that from February 11, 2019 to June 23, 2019, an NYC Transit Car Inspector was simultaneously employed with AirTrain at John F. Kennedy International Airport (JFK AirTrain) without dual employment authorization from NYC Transit. Additionally, on 13 instances he used MTA sick and vacation leave in order to work his second employment. The OIG also found that the Car Inspector was not truthful to the OIG during his interview, when he claimed that he had attempted to obtain dual employment authorization but could not provide any corroborating evidence.

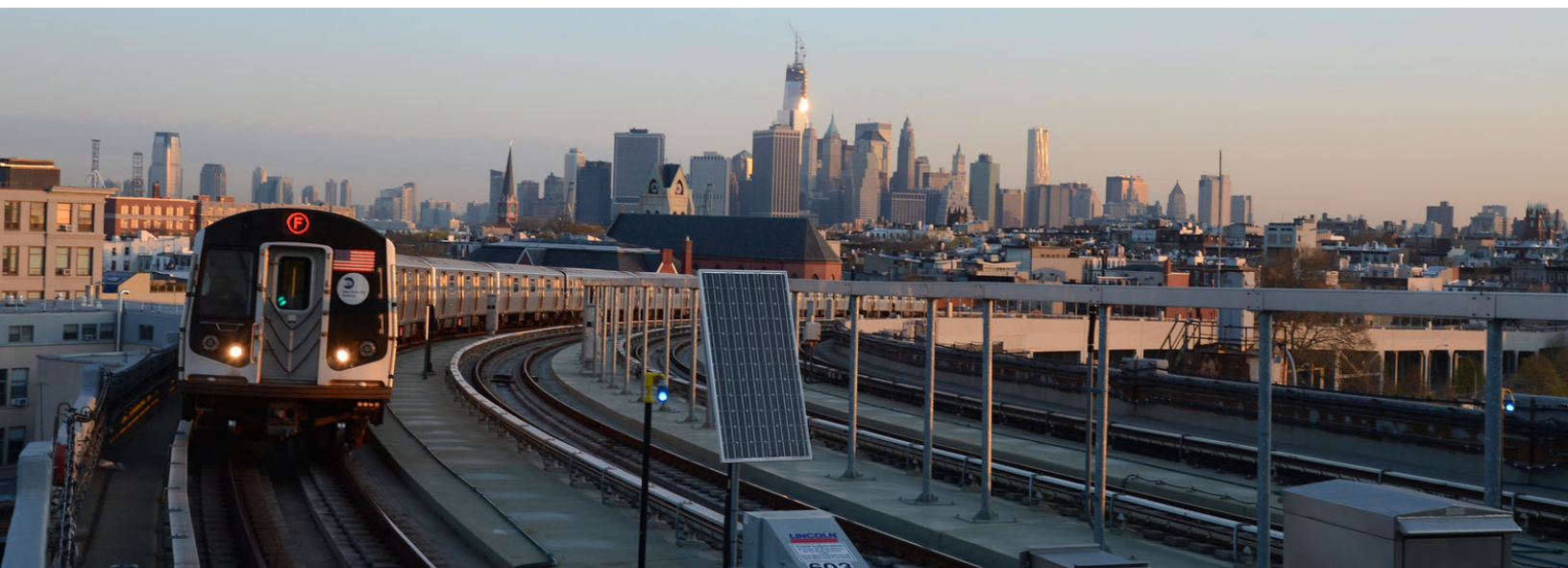
In July 2020, in response to the OIG's investigation and report, NYC Transit suspended and brought disciplinary charges against the NYC Transit Car Inspector. On July 10, 2020, NYC Transit conducted a Step 1 disciplinary hearing and sustained the penalty of dismissal. The Car Inspector appealed the decision and on September 23, 2020, after a Step 2 disciplinary hearing, the arbitrator issued an opinion and award finding that the Car Inspector violated the agency's rules regarding dual employment. However, the arbitrator issued a penalty including a time-served suspension without pay, a demotion to an available non-safety sensitive Cleaner position, and a final warning that further violations of the agency's rules could result in termination. The suspension without pay is worth approximately \$14,527 in lost salary.

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## **ABUSE OF TIME BY UTILITY WORKER #2020-04**

Based on a review of LIRR's vehicle tracking system, the OIG found that an LIRR Utility Worker, on at least 16 occasions, failed to remain on duty during his full shift, including hours he earned double overtime. The Utility Worker resigned during the OIG's investigation and executed a confession of judgment for over \$30,000.

The OIG also found that the LIRR failed to comply with its own vehicle monitoring policies, which allowed the employee's misconduct to go undetected for at least 8 months. In order to bring the agency in compliance, the LIRR has hired an employee to monitor vehicle usage. The LIRR also plans to implement a new vehicle monitoring system by the end of the third quarter of 2021.





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## GENERAL MISCONDUCT

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### SAFETY RISK AT GRAND CENTRAL TERMINAL AND FAILURE TO INVESTIGATE AND STOP UNAUTHORIZED USE OF MTA PROPERTY #2020-23

OIG discovered at least 3 employees had used a storage room at MNR's Grand Central Terminal as their own personal "man cave." The "man cave" was found beneath Grand Central Terminal's Track 114 in a storage room for "sensitive materials" containing an interior room which was behind a locked door.

OIG found the room furnished with a futon couch, a large flat-screen television with a streaming device, air conditioning, refrigerator with alcohol, microwave, workout equipment, and more. The room also contained customized wooden boxes that could be used to quickly disguise the futon and the flat screen TV.

During the investigation, GCT management claimed to not know the storage room existed, let alone that it contained an unauthorized break room. Consequently, GCT management did not know which employees had keys to the storage room, or the "man cave" inside. This lack of controls created significant health and safety risks including hindering rescue personnel's quick access to the room in the event of an emergency.

OIG also found that MNR Security failed to take any steps to investigate an initial complaint referred to it by the MNR President's Office. OIG discovered that MNR Security lacked a process for formally tracking the investigation and disposition of complaints referred to it by the MNR President's Office.

Since MNR's September 3, 2020 response accepting all of the OIG's recommendations:

- MNR has begun scheduling and planning the survey to locate and memorialize all rooms within Grand Central Terminal and access to these rooms.
- MNR Security has begun using an electronic tracking system for tracking complaints received from the MNR President's Office.
- NYC Transit's Special Investigations and Review Unit has begun its independent review.
- MNR is continuing to work to resolve the issues raised in the report.
- MNR has issued Notices of Discipline for 2 of the employees, an Electrical Foreman and a Carpenter, suspending them without pay for 74 days and disqualifying them as foreman for 2 years. The unpaid suspension for the Electrical Foreman was worth at least \$24,272, and for the Carpenter Foreman at least \$20,720. The third employee, a Wireman, was suspended for 104 days, worth at least \$30,411. All 3 employees have appealed the disciplinary determinations.



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## **MTA HEADQUARTERS COMPUTER ANALYST'S MISAPPROPRIATION OF PROPERTY AND ETHICS VIOLATIONS #2020-05**

The OIG substantiated the allegation that an MTA HQ Computer Analyst turned in a damaged iPhone falsely purporting it to be an MTA-issued phone in exchange for a new MTA-issued phone. In reality, the Computer Analyst had taken his MTA-issued phone with him on vacation to a foreign country, where he gave it to his girlfriend for her use, a circumstance which the Computer Analyst lied about repeatedly. The OIG also found that the Computer Analyst entered false time and attendance records for that vacation, totaling 5 days in December 2019.

Shortly into the OIG's investigation, the OIG notified the MTA of its preliminary findings because the Computer Analyst had access to the MTA's computer systems, including those of executive-level employees. In response, the MTA deactivated the Computer Analyst's access to the MTA's systems and confiscated his MTA HQ identification card, NYC Transit pass, and MTA-issued iPhone. On February 12, 2020, the Computer Analyst was suspended without pay. On April 6, 2020, in response to the OIG's investigation and report, MTA HQ brought disciplinary charges against the Computer Analyst and recommended termination. After several adjournments due to the COVID-19 pandemic, a disciplinary hearing was held on July 7, 2020, where the Computer Analyst submitted his resignation, effective immediately. MTA HQ was able to recoup nearly \$3,000 from the Computer Analyst's final separation payout for the falsely reported time and attendance. In addition, in November 2020, JCOPE settled with the Computer Analyst, who agreed to pay \$1,000 for violating New York State Public Officers Law Section 74(3)(d).

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## **MISUSE OF NYC TRANSIT PROPERTY (NYC TRANSIT ANALYST AND MANAGER) #2020-01**

The OIG substantiated allegations that an NYC Transit Staff Analyst assigned to the Department of the Chief Financial Officer, Capital Planning and Budget used MTA/NYC Transit envelopes to mail chain letters soliciting money. The OIG additionally found that a Capital Planning and Budget Manager permitted the Analyst to use his name and address in the "chain mail" solicitations.

On March 11, 2020, the Staff Analyst acknowledged the charges, agreed to retire on March 13, 2020, and forfeited 1,553 hours of sick leave, worth \$29,895, in resolution of the charges. On September 4, 2020, the Capital Planning and Budget Manager accepted a 20-day suspension. NYC Transit allowed the Capital Planning and Budget Manager to use 10 vacation days to cover 10 of the 20-day suspension, worth \$7,394.

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## **NYCT EMPLOYEE'S ETHICS VIOLATIONS (TRANSIT ATTORNEY) #2020-02**

The OIG substantiated allegations that an NYC Transit Attorney retained for her personal litigation a lawyer (Outside Counsel), a longtime contracted vendor for NYC Transit, and did not pay for the legal services he provided. The OIG additionally found that the Transit Attorney used MTA resources to correspond about her personal litigation with the Outside Counsel and others. The OIG further found that the Outside Counsel was not provided with a copy of the MTA Vendor Code of Ethics.

In June 2020, in response to the OIG's investigation and report, NYC Transit served disciplinary charges upon the Transit Attorney. In addition, in a February 27, 2020 letter, NYC Transit agreed to provide all outside counsel with a copy of the MTA Vendor Code of Ethics, as well as incorporate an acknowledgment of the Vendor Code of Ethics in its retainer agreements.



## CPM PROJECT ADMINISTRATOR'S UNETHICAL CONDUCT #2020-06

The OIG substantiated an allegation that an NYC Transit Capital Programs Management (CPM) Project Administrator improperly represented MTA employees in his “side job” as a real estate broker, against MTA’s instruction that his employer for this outside activity could not represent the MTA or its employees. OIG independently discovered that the employee violated confidentiality rules when he shared confidential contract selection committee deliberations with non-committee members. Finally, the employee made false and misleading statements to the OIG about the help he sought from an MTA manager — who was also his real estate client — to transfer positions within NYC Transit.

On September 15, 2020, NYC Transit, based on OIG’s investigation and report, sought to terminate the CPM Project Administrator. Due to the fact that the wrongful conduct was discovered after the expiration of the statute of limitations, NYC Transit reached and entered into a settlement agreement with the CPM Project Administrator, who agreed to a penalty of a 30-day suspension without pay and a final warning that any and all future violations may result in his termination. The 30-day suspension accounts for approximately \$14,600 in lost salary.



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## ADDITIONAL DISCIPLINARY MATTERS

OIG is providing this information publicly for the first time. Due to a variety of factors, OIG investigates many acts of misconduct that do not result in formal reports. Select examples are included below.

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### UNAUTHORIZED DUAL EMPLOYMENT NYC TRANSIT MAINTENANCE SUPERVISOR

The OIG substantiated the allegation that an NYC Transit Maintenance Supervisor 1 (MS1) took leave to work a second job as a musical performer using various stage names and did not obtain authorization for his dual employment, in violation of MTA and NYC Transit policies.

After the OIG provided the MTA with the results of its investigation, NYC Transit brought numerous disciplinary charges against the MS1 and sought his termination. Based on the evidence including the OIG's investigation, the arbitration panel found that there is no doubt that MS1 held himself out as a performer of music for money and actively engaged in this behavior while on Workers Compensation leave and upheld the MTA's decision to dismiss the MS1.

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### UNAUTHORIZED ABSENCE BY NYC TRANSIT CLEANER

In March 2020, in response to an anonymous time abuse complaint, OIG investigators conducted an unannounced floor check at an NYC Transit facility. The OIG found an NYC Transit cleaner absent from the facility, even though he had clocked in and was signed in on the Daily Attendance Record. The cleaner was immediately removed from service and was kept out of service for 10 days without pay, worth approximately \$2,400.

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### LIRR LINEMAN APPRENTICE SUBMITTED FRAUDULENT MILITARY LEAVE ORDERS

The OIG received information from the Suffolk County District Attorney's Office that an LIRR Lineman Apprentice admitted in an employment interview with the Suffolk County Police Department that he had submitted falsified military orders to the LIRR in order to receive a higher pay differential. During the OIG's interview of the Lineman Apprentice, he disclosed that he had changed his military orders to state that he was stationed internationally instead of locally in New York. This alteration gave him the financial gain of receiving tax-free money (approximately \$689 per month). However, prior to the OIG's interview, the Lineman Apprentice submitted his correct military orders to LIRR's Controller's Office which were approved. As a result, the Lineman Apprentice repaid the LIRR \$3,400.

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## MISUSE OF NYC TRANSIT PROPERTY BY VENDOR

The OIG substantiated the allegation that an MTA mobile wash vehicle was used by an MTA vendor to power-wash a private residence on April 13, 2019. During the OIG’s interview of the vendor’s owner, the owner acknowledged he used the MTA mobile wash vehicle at his residence but claimed he was merely testing the new system that was installed. The OIG referred this matter to NYC Transit for resolution.

In response to the OIG’s findings, NYC Transit Vendor Relations issued a letter to the vendor stating that the agency agreed with the OIG’s findings that the vendor misused MTA property. While NYC Transit did not deem the vendor as non-responsible, which would bar the vendor from all future business with the MTA and its affiliates, NYC Transit required the vendor to reimburse NYC Transit for approximately \$392 for the misuse of the mobile wash vehicle. NYC Transit also required the vendor to notify all of its employees that MTA property or equipment must never be stored or utilized on any private property or used outside legitimate operational need. In January 2020, NYC Transit notified the OIG that the vendor was found to have met the agency’s demands and is now considered a responsible vendor eligible to participate in future MTA solicitations.

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## UNAUTHORIZED DUAL EMPLOYMENT BY LIRR COMMUNICATIONS TECHNICIAN

Pursuant to a referral from the LIRR, the OIG found that an LIRR Communications Technician engaged in unauthorized dual employment while the Technician was on paid leave claiming a work-related injury. The Technician resigned during the OIG’s investigation. Additionally, based on OIG’s review of the LIRR’s Medical Facility Activity Questionnaire, the OIG recommended revisions as a measure to safeguard against future instances of this type of dual employment abuse.

In response, the LIRR placed the OIG’s letter in the Communications Technician’s personnel file and is calculating the amount to offset the 3 days the Communications Technician was observed engaged in outside employment from the employee’s accruals. The LIRR Medical Department is also in the process of revising the Medical Facility Activity Questionnaire.

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The OIG is extremely proud of these achievements and continues to encourage all members of the public, including MTA employees, outside contractors, vendors, and management, to report their concerns about the MTA and its agencies to the OIG's Intake and Intelligence Unit.

To submit a complaint, use the OIG's confidential tip reporting portals:

Online: <https://mtaig.state.ny.us/Pages/ComplaintForm.aspx>

Phone: 1-800-MTA-IG4U (1-800-682-4448)

Email: [Complaints@mtaig.org](mailto:Complaints@mtaig.org)

Postal Mail or Walk-Ins: 1 Penn Plaza, 11th Floor, New York, NY 10119

